

# IDAHO EMPLOYMENT

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## State Overview

### IDAHO'S UNEMPLOYMENT RATE INCREASES TO 4.6 PERCENT

The seasonally adjusted unemployment rate for May 2004 was 4.6 percent, up two-tenths of a percentage point from April. The current unemployment rate was nine-tenths of a percentage point below the 5.5 percent rate for May 2003. Idaho's unemployment rate for May 2004 was below the national rate of 5.6 percent, which was unchanged from April.

The changes from May 2003 indicate that Idaho's economy has improved. The number of *Nonfarm Payroll Jobs* was up 12,300, or 2.1 percent, to 584,600; the number of persons employed was up 15,000 or 2.3 percent, to 668,800; and the number of persons unemployed was down 6,100, or -16.0 percent, to 31,200. As the number of new jobs increase, unemployed workers are renewing their search for work. While more jobs were added, the number did not keep up with the increased numbers of workers looking for work, which accounted for the increase in the unemployment rate.

The May spring weather, unusually warm the first two weeks and then cooler with areas of rain, was conducive to all types of construction, resumption of logging, crop growth, landscaping, and warm weather recreation. Most of the colleges and universities ended their spring terms before Memorial Day, and many school districts also began their summer recess.

### Area and County Labor Force Highlights

*State Table 1 on page 3 lists the labor force components for Idaho's counties, labor market areas, and major cities.*

Two counties experienced double-digit unemployment rates in May: Adams County decreased two-tenths of a percentage point from April to 11.1 percent and Washington County increased 1.8 percentage points from April to 11.1 percent. The increase in Washington County's unemployment rate was due to layoffs in food processing.

Unemployment rates at or below 3.0 percent occurred during May 2004 in the following five counties: Madison, unchanged from April at 1.6 percent; Owyhee, up three-tenths of a percentage point from April to 1.8 percent; Latah, up one-tenth of a percentage point from April to 2.5 percent; Oneida, down two-tenths of a percentage point from April to 2.2 percent; and Lewis, which stayed the same at 2.8 percent.

The Cassia-Minidoka Labor Market Area (LMA) once again had the highest unemployment rate—8.1 percent—of Idaho's eight designated LMAs, which include Metropolitan Statistical Areas (MSA). This area



lost a major potato processing plant last year, which significantly pushed up the area's unemployment rate. On the other hand, the Bonneville LMA had the lowest unemployment rate at 3.1. percent. This area has a diversified economy with agriculture, trade, services, and the Idaho National Engineering and Environmental Lab, a large nuclear engineering laboratory.

### Nonfarm Payroll Jobs

*State Table 2 on page 7 provides employment details for the major non-farm industries in Idaho.*

The number of nonfarm jobs in May was 584,600, up 6,900 jobs for a 1.2 percent increase from April. The number of nonfarm jobs has increased each month during 2004. Since January nearly 23,000 jobs have been added in Idaho. From April, the *Service-Providing Industries* added 4,100 jobs. Nearly all additional *Goods-Producing Industry* jobs occurred in *Construction*. The relative strength of the *Construction* industry is even more evident in the year-over-year statistics. An additional 1,800 *Construction* jobs compensated for the 1,200-job loss in *Manufacturing*, resulting in a net gain of 600 jobs in the super sector.

*Logging* activity increased in May with the addition of 300 jobs. However, there was not a corresponding increase in *Wood Product Manufacturing*. Current sawmill capacity is able to absorb extra timber supply without additional workers; in some cases additional logs may be exported or purchased by out-of-state mills. Several Idaho mills have closed in the last year while others have cut back on production, leading to the year-over-year decline of 200 jobs in these wood product industries.

*Computer & Electronic Product Manufacturing* had more jobs in May than any other month so far in 2004. Even though the gain of 100 jobs from April was barely noticeable, it was enough to continue the string of barely noticeable gains that have been occurring each month since January, which has resulted in a gain of 225 jobs for the year. Even though ZiLOG, a relatively large electronics manufacturer in Nampa, closed its doors this summer, the slow recovery of Idaho's electronics industry is becoming more of a certainty. The industry still has a way to go for full recovery—4,100 more jobs are needed to match the industry's record employment level of 20,800 that occurred in February 2001—but it is encouraging that the industry that was at the center of Idaho's recent economic slowdown seems to be on the recovery track.

Idaho's *Food Manufacturing* industry is on a different track. As recently as September 2002, the industry had 16,800 jobs and the industry sector of *Fruit & Vegetable Preserving & Specialty Foods* had 8,800 jobs. The decline to the current levels (7,100 in May) has primarily occurred in frozen potato products manufacturing as the demand for French fries has declined or the manufacturing of them has moved outside of Idaho. Meatpacking, too, has declined. The cheese industry has grown and job additions in that field have helped to offset the industry's other job declines. Overall, *Food Manufacturing* has declined in the state and is unlikely to regain its previous job levels.

The news in the *Service-Providing Industries* for May was normal, including the expected seasonal increases in the *Retail Trade* sectors of *Building Material & Garden Equipment* and *General Merchandise Stores* and declines in such sectors as *Educational Services* due to the end of

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school terms in Idaho's private colleges and universities. Across-the-board minor job additions were recorded in most of the other industries. The year-over-year comparison in each of these industries showed a healthy percentage increase, which is not a usual seasonal occurrence.

*Retail Trade* showed broad strength in that all the subsectors experienced both month-over-month and year-over-year job increases. *Finance & Insurance* had the same pattern, but the year-over-year increase was more substantial. This is due to continuing mortgage lending and re-financing spurred by low interest rates, in addition to new construction. The *Health Care & Social Assistance* industry continued to add jobs for the month and year with most of the new jobs in non-hospital settings.

Substantial numbers of new jobs occurred in *Administrative & Support Services*, which increased 4.9 percent from April and 10.6 percent since May 2003. Most of the new jobs are found in the state's call centers that are located throughout the state. Some centers have expanded and additional centers have opened. There is some cause to think that large corporations and call center businesses have found small town, rural America an attractive place to locate call centers. An eager workforce (often caught in the demise of traditional industries in their towns), competitive wages, availability of vacant facilities (shuttered retail, warehouse, and other large floor space facilities), and the availability of broadband telecommunication services are cited as reasons for looking at smaller towns for call center locations.

Idaho's *Leisure & Hospitality* employment kept pace with the state's April to May growth rate. Above average temperatures for most of April and May provided an early start to the summer season, and some of the job increases that normally occur in May were seen in April. In part, this accounted for the reason the year-over-year comparison for this industry sector showed no change. It is still too early to gauge the effect of high gas prices on Idaho's tourism and recreational businesses.

## CONSTRUCTION—RECESSION ANTIDOTE?

Most analysts agree that sustained *Construction* activity muted Idaho's economic slowdown from late 2001 through the early winter months of 2003. *Construction* employment declined by 3.6 percent from 2001 to 2002, but the annual average job loss was only 1,370. Total wages paid to workers declined by almost \$42 million, or 3.5 percent, from 2001. Yet, the loss of \$42 million was just 0.3 percent of all covered wages paid in 2002. Industry workers received an annual average wage of \$31,000 in 2001 and \$31,015 in 2003—

State Table 1: May 2004 Labor Force (preliminary)

Seasonally Adjusted	Labor Force	Unemp.	% Unemp.	Total Emp.
<b>Seaport LMA</b>	35,140	1,413	4.0	33,727
Nez Perce County	22,968	716	3.1	22,251
Asotin County, WA	12,172	697	5.7	11,476
<b>Boise City MSA</b>	252,310	10,628	4.2	241,682
Ada County	180,716	6,675	3.7	174,041
Canyon County	71,594	3,953	5.5	67,641
<b>Pocatello City MSA*</b>	40,941	1,782	4.4	39,159
<b>Bonneville LMA</b>	87,316	3,112	3.6	84,204
Bingham County	23,230	998	4.3	22,232
Bonneville County	51,709	1,615	3.1	50,094
Butte County	1,627	66	4.1	1,561
Jefferson County	10,749	432	4.0	10,317
<b>Cassia-Minidoka LMA</b>	19,479	1,570	8.1	17,909
Cassia County	9,805	673	6.9	9,132
Minidoka County	9,674	897	9.3	8,777
<b>Idaho-Lewis LMA</b>	7,715	565	7.3	7,150
Idaho County	6,304	526	8.3	5,778
Lewis County	1,411	39	2.8	1,372
<b>Panhandle LMA</b>	94,451	5,653	6.0	88,798
Benewah County	4,275	298	7.0	3,977
Bonner County	18,199	960	5.3	17,239
Boundary County	4,469	224	5.0	4,244
Kootenai County	61,284	3,705	6.0	57,580
Shoshone County	6,224	467	7.5	5,757
<b>Magic Valley LMA</b>	57,678	2,273	3.9	55,405
Gooding County	8,030	270	3.4	7,761
Jerome County	10,710	386	3.6	10,324
Twin Falls County	38,937	1,618	4.2	37,320
Adams County	1,563	175	11.2	1,388
Bear Lake County	2,982	128	4.3	2,854
Blaine County	12,893	416	3.2	12,477
Boise County	2,933	142	4.8	2,792
Camas County	526	31	5.8	495
Caribou County	3,312	224	6.8	3,088
Clark County	605	33	5.5	572
Clearwater County	3,407	260	7.6	3,147
Custer County	1,910	123	6.5	1,787
Elmore County	9,286	535	5.8	8,751
Franklin County	5,648	155	2.7	5,493
Fremont County	4,105	234	5.7	3,871
Gem County	5,437	321	5.9	5,117
Latah County	14,837	370	2.5	14,468
Lemhi County	3,764	235	6.2	3,529
Lincoln County	2,089	108	5.2	1,981
Madison County	11,733	188	1.6	11,545
Oneida County	1,882	41	2.2	1,841
Owyhee County	4,664	85	1.8	4,579
Payette County	9,458	797	8.4	8,661
Power County	3,022	262	8.7	2,761
Teton County	4,059	149	3.7	3,910
Valley County	3,832	282	7.4	3,550
Washington County	4,188	460	11.0	3,728
<b>State of Idaho</b>	<b>700,859</b>	<b>32,053</b>	<b>4.6</b>	<b>668,806</b>
<b>Idaho Cities</b>				
Boise	115,130	4,191	3.6	110,939
Coeur d'Alene	21,780	1,020	4.7	20,760
Idaho Falls	31,688	1,047	3.3	30,642
Lewiston	19,545	534	2.7	19,011
Nampa	22,004	1,317	6.0	20,686
Pocatello	29,483	1,242	4.2	28,241
Twin Falls	20,398	896	4.4	19,502

\* Pocatello MSA includes all of Bannock County.

essentially no change. Housing starts in Idaho totaled 13,170 in 2002, which was a 7.6 percent increase from 2001. The new housing construction pace sped up in 2003 with a 22.9 percent increase, totaling 16,181 housing starts. *Housing starts data from Idaho Division of Financial Management, April 2004.*

There are various reasons for the industry's continued strength in the face of the national recession and the state's own slowdown, which was mostly concentrated in the Boise area's high tech manufacturers. For at least ten years, Idaho has experienced significant population growth. The Boise area increased the most numerically. In the mid-1990s, Idaho's rate of population growth was more than double the nation's. (See related story about population growth and age structure in the FYI section starting on page 23.) During the last decade, Idaho has ranked in the top five states nationally according to rate of population growth. Most of the growth was due to in-migration. The rate of growth slowed down from almost 1.9 percent in 1999 to 1.7 percent in 2001. Since then, the population growth rate has been 1.5 to 1.6 percent annually. (The nation's population growth rate has been 1.0 percent.) Population growth alone caused rapid growth in housing and other construction, especially in the Boise area, but the pace started to abate at about the same time as the economic slowdown started.

Construction activity and its employment component have both considerable inertia and momentum in relation to current economic conditions. That is, construction projects usually take some time to plan, finance, and begin. Once underway, larger projects will often last several years. The recent recession was unexpected and happened so suddenly, many of the construction projects that had been planned and started under very favorable economic conditions and predictions continued throughout the relatively short recession.

Low interest rates have helped sustain construction activity and housing construction in particular benefited. The low interest rates not only made the total cost of a house less expensive, they also brought more people into the market because more people with lower incomes were able to qualify for mortgages. Also, low interest rates prompted housing refinancing, which some people used for home remodeling projects that required paid construction workers.

## SUMMARY

While *Construction* activity and jobs helped Idaho through its economic slowdown, the reasons they did are due to some fortunate coincidences. Idaho's population growth began rapidly increasing well before 2001 and has continued to increase faster than the national

average. Although the population of all of the larger Idaho cities grew percentage-wise, the numerical growth was concentrated in the Boise area, which is also the center of the state's high tech manufacturing sector. Idaho's economic slowdown hit those industries particularly hard but *Construction's* economic contributions in terms of jobs, total wages, and average wages did not diminish significantly. The construction building cycle, which can take many months to complete, makes the industry less sensitive to current, short-term economic conditions. Finally, low interest rates gave a boost to *Construction*.

For Idaho in 2001-2003, construction activity served

State Table 4: Total and Construction Covered Employment and Wages, 2000-2003			
	Average Employment	Total Wage	Average Wage
<b>2000</b>			
<b>Total Covered Employment</b>	561,764	15,511,464,605	27,612
<b>Construction</b>	37,303	1,081,643,698	28,997
<b>Construction of Buildings</b>	7,952	228,571,988	28,743
<b>Heavy and Civil Engin. Construction</b>	7,309	278,317,830	38,077
<b>Specialty Trade Contractors</b>	22,041	574,753,880	26,077
<b>2001</b>			
<b>Total Covered Employment</b>	572,444	15,863,264,604	27,711
<b>Construction</b>	38,691	1,199,405,597	31,000
<b>Construction of Buildings</b>	8,467	276,933,309	32,709
<b>Heavy and Civil Engin. Construction</b>	7,362	301,803,121	40,997
<b>Specialty Trade Contractors</b>	22,863	620,669,167	27,147
<b>2002</b>			
<b>Total Covered Employment</b>	571,900	16,105,476,789	28,161
<b>Construction</b>	37,318	1,157,423,401	31,015
<b>Construction of Buildings</b>	8,273	267,340,634	32,313
<b>Heavy and Civil Engin. Construction</b>	7,253	308,047,915	42,473
<b>Specialty Trade Contractors</b>	21,792	582,034,852	26,709
<b>2003</b>			
<b>Total Covered Employment</b>	576,026	16,513,182,843	28,667
<b>Construction</b>	37,578	1,150,393,120	30,613
<b>Construction of Buildings</b>	8,474	270,000,793	31,864
<b>Heavy and Civil Engin. Construction</b>	6,313	268,415,394	42,517
<b>Specialty Trade Contractors</b>	22,791	611,976,933	26,851
Source: Idaho Commerce and Labor			

State Table 5: State Housing Permits—Jan.-May, 2004			
PERMITS AUTHORIZED*			
State	2003 Population	Total	Single Unit
California	35,484,453	84,184	64,312
Washington	6,131,445	18,483	14,964
Oregon	3,559,596	10,488	8,276
Utah	2,351,467	9,026	7,512
Nevada	2,241,154	20,499	17,652
<b>Idaho</b>	<b>1,366,332</b>	<b>5,928</b>	<b>5,205</b>
Montana	917,621	1,288	804
Alaska	648,818	1,447	734
Wyoming	501,242	1,212	1,001
*New Privately Owned Housing Units Authorized			
Source: US Census Bureau (Internet sites)			

as an antidote to a more severe economic downturn, especially in the Boise area. Other forces, namely population growth, caused construction to be instrumental in muting the recession's affects on Idaho.

State tables 4 and 5 highlight Idaho's *Construction* industry. State Table 4 on page 4 provides *Construction* employment and wage information in comparison to total employment. Data is for covered employment (workers who work for employers that must pay Unemployment Insurance tax); self-employed workers are excluded. State Table 5 presents the most recent housing permits for Idaho and surrounding states as gathered by the U.S. Census Bureau. The Census Bureau is an excellent source of housing and building statistics as most of the bureau's surveys are based upon household and business samples. Visit the bureau's Internet site for more information: <http://www.census.gov/const/www/index.html>.

The *Construction* sector has three subsectors: 1) housing and buildings; 2) excluding buildings and including roads, bridges, dams, utility conduits, etc.; and 3) businesses that specialize in crafts or specific construction processes, i.e., plumbing, electrical, excavation, etc. In Idaho, most of the construction jobs are in *Specialty Trade Contractors*, but this subsector has the lowest average wage among all *Construction* jobs. The lower wage, which is close to the state's average wage, is a function of the large number of workers in this category. Also, workers tend to move frequently from one project to the next, often with intervals when they do not work. The *Heavy Construction* subsector includes many large construction corporations that act as project prime contractors and employ a cadre of in-house engineers, computer specialists, business managers, and other project administrative staff. The average wage in this subsector is the highest. The *Building* subsector includes developers/general contractors, remodelers, and building erectors and demolitionists.

There were 16,181 housing starts in Idaho during 2003; 13,743 of those starts were for single units (stand-alone structures such as a house). This was a significant increase (22.9 percent) over the previous year, and most analysts agree this pace cannot be sustained in 2004. The U.S. Census Bureau's housing data indicates there were 5,928 housing units authorized to be built in Idaho from January through May 2004 for an average of 1,186 per month. The 2003 monthly average was 1,348, so there has been a slight slowdown so far this year. Yet, Idaho's housing start data is impressive for a state with a small population. State Table 5 shows the number of Idaho's authorized housing permits compared to surrounding states, with the latest state population estimates included to provide a per capita perspective.

## AGRICULTURE

### Drought Update

Idaho Governor Dirk Kempthorne recently approved drought emergency declarations for Cassia and Jerome Counties, meaning drought emergencies have now been issued in half of Idaho's 44 counties.

In Cassia County, irrigators primarily rely on natural flows to fill the Oakley Reservoir as well as ground water for their water supplies. For the fourth consecutive year, water supplies in Oakley Reservoir are below normal (17,000-acre feet less than the minimum adequate supply of 45,000-acre feet) and water supplies from the Snake River for the Burley Irrigation District are also below normal. The water supply system in the county is at historic lows.

Conditions in Jerome County are similar to the drought years of 1977 and 1992. Flows from the Snake River are 1.5 million-acre feet below normal, and supplies for both the Northside Canal and Milner-Gooding Canal are below normal. Water storage in the Upper Snake River reservoir system is at a record low level.

Under the declarations, irrigators in the counties can work with the Idaho Department of Water Resources (IDWR) to secure temporary water rights and make modifications to existing water rights. The drought emergency declarations are effective until December 31 unless extended or terminated by IDWR Director Karl Dreher.

Drought declarations have now been approved for Bannock, Bingham, Blaine, Bonneville, Butte, Caribou, Cassia, Clark, Custer, Elmore, Franklin, Fremont, Gooding, Jefferson, Jerome, Lemhi, Lincoln, Madison, Oneida, Power, Teton, and Twin Falls Counties. Last year, Governor Kempthorne declared drought emergencies in 19 counties.

All drought emergency declarations are available on the IDWR website at [www.idwr.state.id.us](http://www.idwr.state.id.us).

### Hired Labor

Major crop activities in May included irrigation, crop thinning and weeding, early fruit harvesting, and fertilizer/pesticide/herbicide application. Growers began hiring additional seasonal workers for the peak summer employment months of June and July. It was estimated 34,380 hired workers would be on the job in May.

### Developments

Milk prices in May were close to double what they were last year and so some dairy and herd expansions have taken place. This should provide additional job opportunities for milkers.

The potato crop looks very good, but acreage is down 3.0 percent from last year since the potato market has softened. Wheat acreage is down somewhat and fall wheat quality has not been extremely good, especially in North Idaho, where fall rains were not sufficient in some areas for a good crop. The beef market that had rebounded from earlier problems caused by a BSE (mad cow disease) scare is volatile again due to renewed concern about the disease and rendering procedures. The U.S. Department of Agriculture is stepping up its cattle inspection and BSE testing program.

Preliminary prices received by Idaho farmers for the month of May showed increases from April for alfalfa hay (up \$18.00/ton), feed barley (up 5 cents/bu), malting barley (up 3 cents/bu), dry beans (up 30 cents/cwt), all wheat (up 2 cents/bu), all beef cattle (up \$3.00/cwt), and all milk (70 cents/cwt). Price declines included all barley (down 2 cents/bu) and potatoes (down 5 cents/cwt). Source: *Idaho Agricultural Statistical Service (IASS)*.

The IASS also reported that Idaho nurseries and greenhouses sold an estimated \$66.1 million in plants and plant materials in 2003. This value is 17 percent more than in 2002 and 19 percent more than what was received in 2001 and 2000. Field grown materials (trees, shrubs, sod, bulbs, corms, etc., but not seeds) accounted for 72 percent of the total gross sales. Greenhouse materials were 27 percent of gross sales. Cut Christmas trees accounted for 1.0 percent.

### Bugs and such

A monthly report on Idaho's drought situation has become a regular part of this newsletter. It cannot be emphasized enough how important water is to Idaho's economy. Not only is agriculture dependent upon adequate water, but the same water sources are used for electricity, drinking water, fish and wildlife survival and propagation, vitality of forests and rangeland just to name a few of the competing uses for water. With-

out water, the non-mountainous parts of southern Idaho would be a desert.

Water, however, is not the only worry agriculturalists face. Other natural problems can occur and most come and go with climatic conditions: frost and freezing, excessive heat, hail, and rain at the wrong time can have serious adverse effects on crops and animals. Growers can cope with these conditions but can't do much get rid of them. There are some natural bane that growers not only try to cope with but also try to eradicate or at least minimize. Bugs and plant/animal disease are two of them.

Some of the bugs and diseases Idaho agricultural producers coped with in May include:

- Renewed concern about more mad cow disease cases
- West Nile virus potential (warnings and cautions at this time—only one mild case confirmed so far)
- Black flies (a group of insects that swarm around and bite livestock)
- Mormon crickets
- Cereal leaf beetles
- Cutworms
- Wheat streak mosaic virus
- Wheat curl mite
- Alfalfa weevil
- Black grass bugs
- Armyworms

The producer is not alone in trying to cope with these natural problems. Agricultural in general creates the demand for other jobs and some of these fall into the category of *Support Activities for Crop Production—Soil Preparation, Planting, and Cultivating* (NAICS 115112) or, in other words, fertilizer suppliers, crop sprayers, and other crop growing activities that are independent of the farming establishment. In 2003, there were an average of 341 (covered) workers engaged in this industry.

Another support system is the Agricultural Extension Services provided by the University of Idaho (UI). County extension faculty are based in 42 county extension offices throughout the state, on the Fort Hall and Coeur d'Alene Indian Reservations, and in specific project offices. These people are backed by subject matter specialists and support personnel located in ten regional Research and Extension Centers and on the UI campus. These faculty members conduct extension education programs throughout the state.

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State Table 2: Nonfarm Payroll Jobs

BY PLACE OF WORK	% Change From				
	May 2004*	Apr 2004	May 2003	Last Month	Last Year
<b>Nonfarm Payroll Jobs**</b>	584,600	577,700	572,300	1.2	2.1
<b>GOODS-PRODUCING INDUSTRIES</b>	101,900	99,100	101,300	2.8	0.6
<b>Natural Resources &amp; Mining</b>	3,100	2,700	3,100	14.8	0.0
Logging	1,300	1,000	1,300	30.0	0.0
Mining	1,800	1,700	1,800	5.9	0.0
Metal Ore Mining	400	400	500	0.0	-20.0
<b>Construction</b>	38,500	36,300	36,700	6.1	4.9
<b>Manufacturing</b>	60,300	60,100	61,500	0.3	-2.0
Durable Goods	37,200	37,000	37,900	0.5	-1.8
Wood Product Manufacturing	6,900	6,900	7,100	0.0	-2.8
Sawmills & Wood Preservation	2,800	2,800	3,000	0.0	-6.7
Veneer & Engineered Products	1,200	1,200	1,100	0.0	9.1
Other Wood Product Manufacturing	2,900	2,900	3,000	0.0	-3.3
Fabricated Metal Product Manufacturing	3,400	3,400	3,500	0.0	-2.9
Machinery Manufacturing	2,700	2,600	2,700	3.8	0.0
Computer & Electronic Product Manufacturing	16,700	16,600	16,000	0.6	4.4
Transportation Equipment Manufacturing	2,300	2,200	2,300	4.5	0.0
Other Durable Goods	5,200	5,300	6,300	-1.9	-17.5
Nondurable Goods	23,100	23,100	23,600	0.0	-2.1
Food Manufacturing	15,400	15,400	15,500	0.0	-0.6
Fruits & Vegetable Preserving & Specialty	7,100	7,100	7,400	0.0	-4.1
Paper Manufacturing	1,600	1,600	1,600	0.0	0.0
Printing & Related Support Activities	2,100	2,100	2,100	0.0	0.0
Chemical Manufacturing	1,700	1,700	1,800	0.0	-5.6
Other Nondurable Goods	2,300	2,300	2,600	0.0	-11.5
<b>SERVICE-PROVIDING INDUSTRIES</b>	482,700	478,600	471,000	0.9	2.5
<b>Trade, Transportation, &amp; Utilities</b>	116,700	115,500	115,100	1.0	1.4
Trade	97,900	96,800	96,900	1.1	1.0
Wholesale Trade	24,400	24,300	25,000	0.4	-2.4
Wholesalers, Durable Goods	11,200	11,100	11,600	0.9	-3.4
Wholesalers, Nondurable Goods	11,000	11,000	11,400	0.0	-3.5
Retail Trade	73,500	72,500	71,900	1.4	2.2
Motor Vehicle and Parts Dealers	11,000	10,900	10,800	0.9	1.9
Building Material and Garden Equipment	8,300	7,900	8,000	5.1	3.8
Food & Beverage Stores	12,500	12,300	12,300	1.6	1.6
General Merchandise Stores	15,400	15,000	14,700	2.7	4.8
Transportation, Warehousing, & Utilities	18,800	18,700	18,200	0.5	3.3
Utilities	1,900	1,900	1,900	0.0	0.0
Transportation & Warehousing	16,900	16,800	16,300	0.6	3.7
Rail Transportation	1,300	1,300	1,300	0.0	0.0
Truck Transportation	8,300	8,200	8,000	1.2	3.8
<b>Information</b>	9,300	9,200	9,300	1.1	0.0
Telecommunications	3,300	3,300	3,100	0.0	6.5
<b>Financial Activities</b>	27,400	27,200	26,800	0.7	2.2
Finance & Insurance	20,600	20,500	20,000	0.5	3.0
Real Estate & Rental & Leasing	6,800	6,700	6,800	1.5	0.0
<b>Professional &amp; Business Services</b>	74,400	72,700	70,100	2.3	6.1
Professional, Scientific, & Technical	29,600	29,700	28,700	-0.3	3.1
Scientific Research & Development	7,300	7,300	7,400	0.0	-1.4
Management of Companies & Enterprises	7,300	7,200	7,400	1.4	-1.4
Administrative & Support & Waste Management	37,500	35,800	34,000	4.7	10.3
Administrative & Support Services	36,400	34,700	32,900	4.9	10.6
Educational & Health Services	64,000	64,900	61,600	-1.4	3.9
Educational Services	6,500	7,800	6,200	-16.7	4.8
Health Care & Social Assistance	57,500	57,100	55,400	0.7	3.8
Hospitals	13,500	13,500	13,200	0.0	2.3
Leisure & Hospitality	54,200	53,500	54,200	1.3	0.0
Arts, Entertainment, & Recreation	7,300	7,200	7,900	1.4	-7.6
Accommodation & Food Services	46,900	46,300	46,300	1.3	1.3
Accommodation	7,300	7,400	7,200	-1.4	1.4
Food Services & Drinking Places	39,600	38,900	39,100	1.8	1.3
Other Services	18,400	18,300	18,200	0.5	1.1
<b>Total Government</b>	118,300	117,300	115,700	0.9	2.2
Federal Government	13,600	13,300	13,500	2.3	0.7
State & Local Government	104,700	104,000	102,200	0.7	2.4
State Government	31,600	31,600	29,300	0.0	7.8
State Government Education	14,800	15,100	14,100	-2.0	5.0
State Government Administration	16,800	16,500	15,200	1.8	10.5
Local Government	73,100	72,400	72,900	1.0	0.3
Local Government Education	37,100	36,900	38,000	0.5	-2.4
Local Government Administration	32,900	32,500	32,000	1.2	2.8
Local Government Tribes	3,100	3,000	2,900	3.3	6.9

\*Preliminary Estimate

\*\* Estimates include all full or part time wage and salary workers who worked or received pay in the following industry groups during the pay period ending nearest the 12th of the month.

State Table 3: Economic Indicators

	May 2004	Apr 2004	May 2003	% Change From	
				Last Month	Last Year
IDAHO LABOR FORCE <sup>(1)</sup>					
<b>Seasonally Adjusted</b>					
Civilian Labor Force	700,900	698,800	692,000	0.3	1.3
Unemployment	32,100	29,900	38,200	7.4	-16.0
Percent of Labor Force Unemployed	4.6	4.3	5.5		
Total Employment	668,800	668,900	653,800	0.0	2.3
<b>Unadjusted</b>					
Civilian Labor Force	702,600	694,900	693,700	1.1	1.3
Unemployment	30,600	32,300	36,700	-5.3	-16.6
Percent of Labor Force Unemployed	4.4	4.7	5.3		
Total Employment	672,000	662,600	657,000	1.4	2.3
U. S. UNEMPLOYMENT RATE <sup>(2)</sup>					
	5.6	5.6	5.1		
U.S. CONSUMER PRICE INDEX <sup>(2)</sup>					
Urban Wage Earners & Clerical Workers (CPI-W)	184.7	183.5	179.4	0.7	3.0
All Urban Consumer (CPI-U)	189.1	188.0	183.5	0.6	3.1
AGRICULTURE					
Agriculture Employment	44,480	41,240	41,670	7.9	6.7
Operators	9,740	9,740	9,010	0.0	8.1
Unpaid Family	360	360	360	0.0	0.0
Hired Workers	34,380	31,140	32,300	10.4	6.4
UNEMPLOYMENT INSURANCE					
<b>Claims Activities</b>					
Initial Claims <sup>(3)</sup>	6,930	8,132	10,705	-14.8	-35.3
Weeks Claimed <sup>(4)</sup>	54,014	68,418	91,793	-21.1	-41.2
<b>Benefit Payment Activities<sup>(5)</sup></b>					
Weeks Compensated	45,639	58,367	79,464	-21.8	-42.6
Total Benefit \$ Paid	\$9,823,004	\$12,880,818	\$17,609,199	-23.7	-44.2
Average Weekly Benefit Amount	\$215.23	\$220.69	\$221.60	-2.5	-2.9
Covered Employers	42,434	42,299	41,402	0.3	2.5
Total Benefit \$ Paid During Last 12 Months <sup>(4)</sup>	\$195,154,129	\$202,940,325	\$215,444,375	-3.8	-9.4
(1) Preliminary Estimate					
(2) Source: U.S. Bureau of Labor Statistics					
(3) Includes all entitlements/programs on Intrastate and Interstate Agent, New, and Additional Claims					
(4) Includes all entitlements/programs, Intrastate and Interstate Agent					
(5) Includes all entitlements/programs, Total Liable Activities					





# PANHANDLE

BENEWAH, BONNER, BOUNDARY, KOOTENAI, & SHOSHONE COUNTIES

## EMPLOYMENT TRENDS

The Panhandle's seasonally adjusted unemployment rate fell from 7.7 percent in May 2003 to 6.0 percent in May 2004, while *Total Employment*—the number of employed residents—grew 5.0 percent. During the same period, *Nonfarm Payroll Jobs* rose an impressive 4.7 percent, and no industrial sectors lost jobs. The industrial sector enjoying the most job gains was *Retail Trade*, adding 580 jobs from May 2003. The retail growth represents a major turnaround; between May 2000 and May 2003, *Retail Trade* lost 430 jobs. After three years of decline, mining and manufacturing are growing again. *Construction* employment is at record levels. The hot housing market and growing commercial construction also are responsible for the strength of *Financial Activities*, which includes banks, credit unions, insurance, title insurance, and real estate. The tourism sector now exceeds its previous records set prior to September 11, 2001. Growing populations and larger tax collections are allowing public school, community hospital, and government agencies to add jobs.

## AREA DEVELOPMENTS

### Benewah County

- Benewah County is benefiting from stronger lumber and plywood prices, continued expansion of the Coeur d'Alene Tribe, the revitalization of downtown St. Maries, and the new tourists brought by the 72-mile recreation Trail of the Coeur d'Alenes.

### Bonner County

- Bonner County, whose economy grew the fastest of the five Panhandle counties during the last two years, is enjoying another year of strong job growth. Its manufacturing sector continues to add dozens of jobs, while construction has soared above its previous record levels and tourism is pushing above its

Panhandle Table 1: Labor Force & Employment

	May 2004*	Apr 2004	May 2003	% Change From	
				Last Month	Last Year
<b>INDIVIDUALS BY PLACE OF RESIDENCE</b>					
<b>Seasonally Adjusted</b>					
Civilian Labor Force	94,450	94,310	91,590	0.1	3.1
Unemployed	5,650	5,210	7,030	8.4	-19.6
% of Labor Force Unemployed	6.0	5.5	7.7		
Total Employment	88,800	89,100	84,560	-0.3	5.0
<b>Unadjusted</b>					
Civilian Labor Force	94,500	93,680	91,690	0.9	3.1
Unemployed	5,520	6,390	6,950	-13.6	-20.6
% of Labor Force Unemployed	5.8	6.8	7.6		
Total Employment	88,980	87,290	84,740	1.9	5.0
<b>JOBS BY PLACE OF WORK</b>					
<b>Nonfarm Payroll Jobs** - NAICS</b>	72,060	70,290	68,820	2.5	4.7
<b>Goods-Producing Industries</b>	13,280	12,770	12,860	4.0	3.3
Natural Resources & Mining	1,230	1,060	1,200	16.0	2.5
Construction	4,970	4,690	4,680	6.0	6.2
Manufacturing	7,080	7,020	6,980	0.9	1.4
Wood Product Manufacturing	2,720	2,720	2,710	0.0	0.4
Other Manufacturing	4,360	4,300	4,270	1.4	2.1
<b>Service-Providing Industries</b>	58,780	57,520	55,960	2.2	5.0
Trade, Transportation, & Utilities	13,860	13,740	13,090	0.9	5.9
Wholesale Trade	1,410	1,400	1,380	0.7	2.2
Retail Trade	10,780	10,600	10,200	1.7	5.7
Utilities	400	400	380	0.0	5.3
Transportation & Warehousing	1,270	1,340	1,130	-5.2	12.4
Information	1,340	1,350	1,110	-0.7	20.7
Financial Activities	3,130	3,100	2,850	1.0	9.8
Professional & Business Services	6,760	6,490	6,420	4.2	5.3
Educational & Health Services	7,160	7,080	6,820	1.1	5.0
Leisure & Hospitality	9,010	8,410	8,600	7.1	4.8
Other Services	2,330	2,290	2,260	1.7	3.1
Government Education	5,340	5,350	5,170	-0.2	3.3
Government Administration	8,650	8,510	8,440	1.6	2.5
Government Tribes	1,200	1,200	1,200	0.0	0.0

\* Preliminary estimate

\*\*Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

pre-9/11 highs. Trying to keep up with the growing resident population, as well as increased visitors, retail, services, and government are adding jobs at a strong clip.

- For the second time this year, Sandpoint has received national attention as an exceptional place to live. The city of 6,835 residents still is greeting visitors and prospective residents drawn by the January issue of *Sunset* magazine, which named Sandpoint as the "No. 1 Small Town to Live In." Now, *Outside* magazine's August issue features Sandpoint on its list of 20 "dream towns" in which to live and play, and calls Sandpoint "the Cool Northwest's Hot Property." The article tells *Outside's* two million readers about the outdoor adventures offered by Schweitzer Mountain Resort and Lake Pend Oreille, and describes Sandpoint's small-town sense of community, mentioning the

Panida Theater, Lost in the 50s, and Winter Carnival. The article praises the local restaurants: “‘The best place to eat in Spokane,’ goes the joke about the city of 194,000 lying 75 miles southwest, ‘is in Sandpoint.’”

- In early June, Sandpoint Air began offering commercial air service between Sandpoint and Boise, and between Sandpoint and Seattle four days a week. In the past, Sandpoint residents had to rely on Spokane for air service. The new air service reduces the cost of doing business for many local businesses, increases the area’s ability to attract new businesses, and makes it easier for tourists to visit.
- The Festival at Sandpoint sold all its season passes by the end of May, two months earlier than last summer. Last summer was a record season for the eight-night concert series, so this year’s Festival, beginning August 5, should shatter the record.
- Surging hotel-motel receipts, featured in the Idaho Tax Commission’s Travel & Convention Tax report, provide further evidence that this summer probably will bring even more visitors to the area than last summer. Hotel-motel receipts in Bonner County totaled \$542,640 this June—18.3 percent higher than the previous June and 17.7 percent higher than the previous record for the month of June, set in 2000.
- The Ripple Creek Trading Company, at 405 East River Loop on beautiful Priest Lake, creates rustic home furnishings, including lamp shades, mantel clocks, birch lamps, cabinets, and shelves. Owned by Tim and Dawn Petek, it sells its products at Entrée Gallery in Nordman and at Northwest Handmade in Sandpoint, as well as on-line at [www.ripplecreektradingco.com](http://www.ripplecreektradingco.com). The Peteks also accept custom orders.

#### Boundary County

- Boundary County’s retail and service sectors are growing despite the loss of one of its largest employers, the 140-employee Louisiana-Pacific mill in Bonners Ferry that closed last fall. Construction activity has risen to an all-time high, and tourism appears set to beat its previous levels. Ornamental tree nurseries and Christmas tree farms are increasing sales and employment. The competition for workers has intensified this year. In June, local employers listed 174 job openings with the Bonners Ferry Commerce & Labor office (formerly known as Job Service). On average in the previous four Junes, employers listed 81 jobs.

#### Kootenai County

- In spring 2005, a 90-room Holiday Inn Express hotel will open at 175 West Orchard Avenue east of the Triple Play entertainment complex in Hayden. A sky bridge will connect the inn to Triple Play. Adding to

the entertainment possibilities, the inn will feature a wave pool with tube slides, hot tubs, and a retractable roof. The pool area will primarily entertain hotel guests, but will be open to the public when the hotel is at low occupancy. Triple Play’s owner John Geddes and his partners, hotel owners Jack Nelson and his son Brett, will spend \$7 to \$10 million on the construction slated to start this summer. The inn, which will be Hayden’s first hotel, will create about 35 new jobs.

- Kootenai Medical Center (KMC), the 225-bed hospital in Coeur d’Alene, celebrated the grand opening of its North Idaho Heart Center June 4. The \$9.6 million, 35,000-square-foot addition to the hospital includes new cardiac services including open-heart surgeries and two cardiac catheterization labs, as well as existing cardiology services such as stress tests and echocardiograms. In July, the helipad in the hospital’s parking lot was replaced by a rooftop helipad on top of the heart center. The North Idaho Health Center is expected to serve 1,200 patients a year. The heart center is part of KMC’s long-term expansion, which has brought employment at the hospital close to 1,600 jobs. In September, KMC will break ground on a \$5.2 million, 400-car parking garage.
- Boat Werkes, owned by Stacy Duke Akana and Carl Grub, recently began producing 17-foot and 19-foot sports-fishing boats in Post Falls. The 13,000-square-foot, \$750,000 facility on East Seltice Way provides plenty of space for executive offices, showrooms, and research and development, as well as boat production. The Makai boats combine the strength and durability of an aluminum hull with the flexibility and aesthetics of a fiberglass deck, and are made to handle well in rough water and surf.
- Hagadone Hospitality, owner of the Coeur d’Alene Resort, opened the Bonsai Bistro in late June. The 200-seat Asian restaurant, featuring a waterfall and an indoor garden, employs 85 people. It is located in the former Dakota Direct building across Sherman Avenue from the Coeur d’Alene Resort. Dakota Direct closed its call center there in February.
- This June, for the second year in a row, Coeur d’Alene hosted the Ironman Triathlon. The triathlon—an event where participants swim 2.4 miles in Lake Coeur d’Alene, bicycle 112 miles, and run 26.2 miles—brings thousands of athletes and spectators in June, which usually is a relatively slow tourist month. From Post Falls to Wallace, hotels were sporting “No Vacancy” signs the last weekend in June because of the triathlon. Coeur d’Alene is set to host the Ironman for at least the next three years.

*Continued on page 27*



# SEAPORT

NORTH CENTRAL IDAHO: CLEARWATER, IDAHO, LATAH, LEWIS, & NEZ PERCE COUNTIES

## EMPLOYMENT TRENDS

Seaport's seasonally adjusted unemployment rate increased in May to 4.0 percent from April's rate of 3.6 percent, as shown in Seaport Table 1. In May 2003, the rate was 5.3 percent. May's *Nonfarm Payroll Jobs* decreased slightly by 180 jobs from April 2004, but a more significant decrease of 1,120 occurred from May 2003. Almost all industries are lagging behind last year's job levels.

## AREA DEVELOPMENTS

### Clearwater County

- Seismic Tech of Orofino has sent its first product shipment of more than 1,000 valves to California. The valves, used in natural disasters such as earthquakes, tornadoes or hurricanes, will shut down gas or propane lines. The company, which employs 12, is operating out of a temporary location in downtown Orofino. "We're full speed ahead and maxed out to what we can do in this location," said Doug Donner, general manager of Seismic Tech. Seismic Tech and ASE, a sign company, are playing a big role in economic recovery for Clearwater County. ASE, which employs about 40 workers, was the first tenant of a 30,000-square-foot building at the Orofino Business Center, which was constructed with a combination of state, federal, and local money. Seismic Tech will follow as soon as some defects in the building can be repaired. Seismic Tech is employing local people from a broad variety of backgrounds and putting them through an average of about six weeks of intense, technical training. Within a year, Seismic Tech could employ between 80 and 100 people,

### Idaho & Lewis Counties

- The Elk City business incubator project has been given a tentative

Seaport Table 1: Labor Force & Employment  
Nez Perce County, Idaho and Asotin County, Washington

	May 2004*	Apr 2004	May 2003	% Change From	
				Last Month	Last Year
<b>INDIVIDUALS BY PLACE OF RESIDENCE</b>					
<b>Seasonally Adjusted</b>					
Civilian Labor Force	35,140	35,500	36,300	-1.0	-3.2
Unemployment	1,410	1,280	1,910	10.2	-26.2
% of Labor Force Unemployed	4.0	3.6	5.3		
Total Employment	33,730	34,280	34,710	-1.6	-2.8
<b>Unadjusted</b>					
Civilian Labor Force	35,120	35,580	36,530	-1.3	-3.9
Unemployment	1,250	1,300	1,690	-3.8	-26.0
% of Labor Force Unemployed	3.6	3.7	4.6		
Total Employment	33,870	34,280	34,840	-1.2	-2.8
<b>JOBS BY PLACE OF WORK</b>					
<b>Nonfarm Payroll Jobs** - NAICS</b>	25,750	25,930	26,870	-0.7	-4.2
<b>Goods-Producing Industries</b>	4,400	4,420	4,580	-0.5	-3.9
Natural Resources & Mining	200	210	200	-4.8	0.0
Construction	1,030	1,060	1,220	-2.8	-15.6
Manufacturing	3,170	3,150	3,160	0.6	0.3
Wood Product Manufacturing	550	550	550	0.0	0.0
Food Manufacturing	60	50	100	20.0	-40.0
Paper Manufacturing	1,220	1,200	1,180	1.7	3.4
Other Manufacturing	1,340	1,350	1,330	-0.7	0.8
<b>Service-Providing Industries</b>	21,350	21,510	22,290	-0.7	-4.2
Trade, Transportation & Utilities	5,420	5,270	5,510	2.8	-1.6
Wholesale Trade	590	600	640	-1.7	-7.8
Retail Trade	3,570	3,450	3,600	3.5	-0.8
Utilities	90	90	90	0.0	0.0
Transportation & Warehousing	1,170	1,130	1,180	3.5	-0.8
Information	350	350	390	0.0	-10.3
Financial Activities	1,850	1,830	1,860	1.1	-0.5
Professional & Business Services	1,280	1,350	1,530	-5.2	-16.3
Education & Health Services	3,910	4,030	4,010	-3.0	-2.5
Leisure & Hospitality	2,470	2,470	2,590	0.0	-4.6
Other Services	1,080	1,060	1,100	1.9	-1.8
Government Education	2,260	2,380	2,470	-5.0	-8.5
Government Administration	1,860	1,900	2,010	-2.1	-7.5
Government Tribes	870	870	820	0.0	6.1

\*Preliminary Estimate

\*\*Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

seal of approval from the Idaho County Commission. A local group, Framing Our Community (FOC), is sponsoring the project. The development will be a three-phase operation. Phase one—a 5,000-square-foot building with 2,000-square-feet of office space—went out to bid in July. Construction on this facility and installation of the necessary utilities would begin in August; phase two and three would involve future additions to the building. FOC has been working on the incubator for three years, which is to be located in an open meadow area on State Highway 14 on the west end of Elk City.

- Plans are moving forward to build a tubing hill at Snowhaven ski area near Grangeville. The Snowhaven ski board expansion committee has raised money that will allow the committee to order the necessary equipment this summer and install it by fall for use this season. Tubes will be purchased locally through Idaho Sewing for Sports located, the largest snow tube manufacturer in the world, located in Mount Idaho.
- The Monastery of St. Gertrude broke ground in July for a nearly \$7 million conference and spirituality center. Building plans include a 120-seat conference room, 760-square feet of climate controlled museum and archive storage space, 22 double-occupancy private rooms, and a number of offices. Guests will have a tremendous view of the prairie. Contractors are Bouten Construction of Spokane and Arnzen Building Construction of Cottonwood.
- A local group of investors has purchased 275 acres of land just south of Grangeville and is working on plans for a new subdivision. The development acreage borders Grangeville Country Club to the east and the south; the owners plan to develop approximately 80 lots on the ridge to the east of the number five fairway and green in the first phase. "We want to invest in the future of the Grangeville area. We believe this is an attractive community for people who have a choice of where they want to live," said developer Scott Atkison. Lot sizes will vary from one-third of an acre to 4-acre lots with views of the Camas Prairie, Grangeville Golf Course, and the surrounding mountains. "We are working with the golf course on plans to extend various holes in the near future," said Atkison. "Eventually we would like to gift them enough land to possibly add another nine holes." Initial phases of development and construction are slated to begin later this year.

#### Latah County

- Alturas Technology Park in east Moscow is ready to move into the second and final phase of development. The new phase will begin with improvements to six additional lots for technology-related businesses. There are six lots in phase one. Current businesses include a lawyer's office, a technology-related accounting firm, and a business that tests water and soil. One lot in phase one has been purchased, another has a contingent offer on it, and a third building is vacant. While it has attracted businesses outside of the area, Alturas was designed for technology-related businesses that started up at the University of Idaho. Prior to the

creation of Alturas, new businesses would typically relocate to Coeur d'Alene or eastern Washington. A few businesses already have expressed interest in locating to the phase two lots.

#### Nez Perce County & Asotin Counties

- Tidyman's grocery store is closing its Lewiston and Moscow locations in July. The stores opened in 1968 and were among the first in the chain, but have been struggling financially for about three years, said Patty Kilcup, company spokeswoman in Spokane. The Lewiston stores' financial struggles predate the arrival of Safeway, which opened in the fall of 2002 just across the street, Kilcup said. Tidyman's employs 23 people in Lewiston and 56 in Moscow, she added.
- Members of the woodworkers union, representing about 280 hourly Potlatch Corp. employees in Lewiston, have passed a four-year contract. The contract package includes a wage increase plus a continuation of existing medical insurance coverage and vacation benefits, said Ron Teigen, business representative of Woodworkers District One in Lewiston. Potlatch is in a stronger financial position than when it negotiated in 2002 and 2003 with pulp and paperboard, and consumer products employees, who represent the majority of hourly workers in Lewiston. In 2002, Potlatch was heading toward its worst financial year in history. Talks extended for at least four months and employees worked for a time under the terms of an expired contract. The new contract involved a temporary pay cut followed by raises in later years and reductions in vacation for some employees. In contrast, the woodworkers' talks took place at a time when Potlatch is on the rebound. Potlatch posted a profit for the first time in four years at the end of 2003 and continued the trend in the first three months of 2004.

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# TREASURE VALLEY

ADA, ADAMS, BOISE, CANYON, ELMORE, GEM, OWYHEE, PAYETTE, VALLEY, & WASHINGTON COUNTIES

## EMPLOYMENT TRENDS

The Boise City Metropolitan Statistical Area's (MSA) seasonally adjusted unemployment rate for May 2004 was 4.2 percent, as shown in Treasure Valley Table 1. This was two-tenths of a percentage point above the April 2004 rate of 4.0 percent and one and three-tenths percent below the May 2003 rate of 5.5 percent. Month-over-month, the number of employed persons decreased by 900, or 0.4 percent, and the number of unemployed individuals increased by 500, or 5.0 percent, from April 2004. The decreasing number of persons employed and the increasing number of persons unemployed created a net decrease of 400 individuals, or 0.2 percent, in the *Civilian Labor Force* from April 2004. Year-over-year, the number of employed persons increased by 8,100, or 3.5 percent, and the number of unemployed persons decreased by 3,100, or 22.6 percent, creating a net increase in the *Civilian Labor Force* of 5,000 individuals, or 2.0 percent, from May 2003. The *Civilian Labor Force* figures for May 2004 for the ten counties in Southwest Idaho are shown in Treasure Valley Table 2.

Treasure Valley Table 2: May 2004 Seasonally Adjusted Labor Force Figures for Southwest Idaho Counties				
	Civilian Labor Force	Number Unem- ployed	Percent Unem- ployed	Number Employed
Ada	180,716	6,675	3.7	174,041
Adams	1,563	175	11.2	1,388
Boise	2,933	142	4.8	2,792
Canyon	71,594	3,953	5.5	67,641
Elmore	9,286	535	5.8	8,751
Gem	5,437	321	5.9	5,117
Owyhee	4,664	85	1.8	4,579
Payette	9,458	797	8.4	8,661
Valley	3,832	282	7.4	3,550
Washington	4,188	460	11.0	3,728
Statewide	700,859	32,053	4.6	668,806

Treasure Valley Table 1: Boise MSA Labor Force & Employment  
Ada and Canyon Counties

	May 2004*	Apr 2004	May 2003	% Change	
				Last Month	Last Year
<b>INDIVIDUALS BY PLACE OF RESIDENCE</b>					
<b>Seasonally Adjusted</b>					
Civilian Labor Force	253,100	253,500	248,100	-0.2	2.0
Unemployment	10,600	10,100	13,700	5.0	-22.6
% of Labor Force Unemployed	4.2	4.0	5.5		
Total Employment	242,500	243,400	234,400	-0.4	3.5
<b>Unadjusted</b>					
Civilian Labor Force	254,100	252,700	248,900	0.6	2.1
Unemployment	10,200	10,300	13,200	-1.0	-22.7
% of Labor Force Unemployed	4.0	4.1	5.3		
Total Employment	243,900	242,400	235,700	0.6	3.5
<b>JOBS BY PLACE OF WORK</b>					
<b>Nonfarm Payroll Jobs**</b>	238,700	236,000	229,900	1.1	3.8
<b>GOODS-PRODUCING INDUSTRIES</b>	47,000	46,300	45,000	1.5	4.4
<b>Natural Resources &amp; Construction</b>	16,500	16,100	15,500	2.5	6.5
<b>Manufacturing</b>	30,500	30,200	29,500	1.0	3.4
Durable Goods	23,600	23,300	22,400	1.3	5.4
Wood Product Manufacturing	1,700	1,600	1,800	6.3	-5.6
Fabricated Metal Products Mfg.	1,300	1,300	1,400	0.0	-7.1
Machinery Manufacturing	1,100	1,100	1,200	0.0	-8.3
Computer & Electronic Manufacturing	15,000	14,900	14,300	0.7	4.9
Transportation Equipment Mfg.	1,600	1,500	1,800	6.7	-11.1
Other Durable Goods	2,900	2,900	1,900	0.0	52.6
Nondurable Goods	6,900	6,900	7,100	0.0	-2.8
Food Manufacturing	5,200	5,100	5,400	2.0	-3.7
Printing & Related Support Activities	700	700	800	0.0	-12.5
Other Nondurable Goods	1,000	1,100	900	-9.1	11.1
<b>SERVICE-PROVIDING INDUSTRIES</b>	191,700	189,700	184,900	1.1	3.7
<b>Trade, Transportation, &amp; Utilities</b>	45,300	44,900	44,000	0.9	3.0
Trade	38,200	37,800	37,000	1.1	3.2
Wholesale Trade	10,000	9,900	10,200	1.0	-2.0
Wholesalers, Durable Goods	6,300	6,300	6,400	0.0	-1.6
Wholesalers, Nondurable Goods	2,800	2,800	2,900	0.0	-3.4
Retail Trade	28,200	27,900	26,800	1.1	5.2
Food & Beverage Stores	4,500	4,300	4,100	4.7	9.8
General Merchandise Stores	6,200	6,200	5,800	0.0	6.9
All Other Retail Trade	17,500	17,400	16,900	0.6	3.6
Transportation, Warehousing, & Utilities	7,100	7,100	7,000	0.0	1.4
Utilities	600	600	600	0.0	0.0
Transportation & Warehousing	6,500	6,500	6,400	0.0	1.6
<b>Information</b>	4,100	4,100	4,000	0.0	2.5
Telecommunications	1,500	1,500	1,400	0.0	7.1
<b>Financial Activities</b>	13,200	12,900	12,400	2.3	6.5
Finance & Insurance	9,700	9,600	9,200	1.0	5.4
Real Estate & Rental & Leasing	3,500	3,300	3,200	6.1	9.4
<b>Professional &amp; Business Services</b>	33,900	33,600	31,800	0.9	6.6
Professional, Scientific, & Technical	10,800	10,800	10,200	0.0	5.9
Management of Companies & Ent.	5,500	5,500	5,600	0.0	-1.8
Administrative & Support & Waste Mgmt.	17,600	17,300	16,000	1.7	10.0
<b>Educational &amp; Health Services</b>	30,200	30,200	28,400	0.0	6.3
Educational Services	2,100	2,400	2,400	-12.5	-12.5
Health Care & Social Assistance	28,100	27,800	26,000	1.1	8.1
Hospitals	9,900	9,900	9,200	0.0	7.6
<b>Leisure &amp; Hospitality</b>	21,300	20,700	20,400	2.9	4.4
Arts, Entertainment, & Recreation	3,100	2,800	2,900	10.7	6.9
Accommodation & Food Services	18,200	17,900	17,500	1.7	4.0
Accommodation	1,900	1,900	1,900	0.0	0.0
Food Services & Drinking Places	16,300	16,000	15,600	1.9	4.5
Other Services	6,900	6,800	6,700	1.5	3.0
<b>Total Government</b>	36,800	36,500	37,200	0.8	-1.1
Federal Government	5,700	5,700	5,400	0.0	5.6
State & Local Government	31,100	30,800	31,800	1.0	-2.2
State Government	13,600	13,500	13,700	0.7	-0.7
State Government Education	4,100	4,100	4,300	0.0	-4.7
State Government Administration	9,500	9,400	9,400	1.1	1.1
Local Government	17,500	17,300	18,100	1.2	-3.3
Local Government Education	11,100	10,900	10,700	1.8	3.7
Local Government Administration	6,400	6,400	7,400	0.0	-13.5

\* Preliminary Estimate

\*\*Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

Boise City MSA *Nonfarm Payroll Jobs* increased by 2,700 jobs, or 1.1 percent, from April to May 2004, while year-over-year, *Nonfarm Payroll Jobs* experienced a gain of 8,800 jobs, or 3.8 percent. Month-over-month, *Goods-Producing Industries* gained 700 jobs with job increases noted in *Natural Resources, Mining & Construction* (400 jobs), *Wood Product Manufacturing* (100 jobs), *Computer & Electronic Product Manufacturing* (100 jobs), *Transportation Equipment Manufacturing* (100 jobs), and *Food Product Manufacturing* (100 jobs). Job losses were noted in *Other Nondurable Goods Manufacturing* (-100 jobs). Year-over-year, *Goods-Producing Industries* gained 2,000 jobs with job increases noted in *Natural Resources, Mining & Construction* (1,000 jobs), *Computer & Electronic Product Manufacturing* (700 jobs), *Other Durable Goods Manufacturing* (1,000 jobs), and *Other Nondurable Goods Manufacturing* (100 jobs). Job losses were noted in *Wood Product Manufacturing* (-100 jobs), *Fabricated Metal Product Manufacturing* (-100 jobs), *Machinery Manufacturing* (-100 jobs), *Transportation Equipment Manufacturing* (-100 jobs), *Food Product Manufacturing* (-200 jobs), and *Printing & Related Support Activities* (-100 jobs).

In *Service-Providing Industries*, jobs gained outweighed jobs lost; 2,000 jobs were added for a 1.1 percent increase in the Boise City MSA from April to May 2004. Job gains were experienced in *Food & Beverage Stores* (200 jobs), *All Other Retail Trade* (100 jobs), *Finance & Insurance Services* (100 jobs), *Real Estate & Rental & Leasing Services* (200 jobs), *Administrative & Support & Waste Management Services* (300 jobs), *Health Care & Social Assistance Services* (300 jobs), *Arts, Entertainment, & Recreation Services* (300 jobs), *Food Services & Drinking Places* (300 jobs), *Other Services* (100 jobs), *State Government Administration* (100 jobs), and *Local Government Education* (200 jobs), while job losses were noted only in *Educational Services* (-300 jobs).

Year-over-year, *Service-Providing Industries* gained 6,800 jobs or 3.7 percent. Job gains were noted in *Food & Beverage Stores* (400 jobs), *General Merchandise Stores* (400 jobs), *All Other Retail Trade* (600 jobs), *Transportation & Warehousing Services* (100 jobs), *Information Services* (100 jobs) including *Telecommunications Services* (100 jobs), *Finance & Insurance Services* (500 jobs), *Real Estate & Rental, & Leasing Services* (300 jobs), *Professional, Scientific & Technical Services* (600 jobs), *Administrative & Support & Waste Management Services* (1,600 jobs), *Health Care & Social Assistance Services* (2,100 jobs) including *Hospitals* (700 jobs), *Food Services & Drinking Places* (700 jobs), *Other Services* (200 jobs), *Federal Government* (300 jobs), *State Government Administration* (100 jobs), and *Local Government Education* (400 jobs). Job losses were noted in *Durable Goods Wholesale Trade* (-100 jobs), *Nondurable Goods Wholesale Trade* (-100 jobs),

*Management of Companies & Enterprises Services* (-100 jobs), *Educational Services* (-300 jobs), *State Government Education* (-200 jobs), and *Local Government Administration* (-1,000 jobs).

## AREA DEVELOPMENTS

### Southwest Idaho

- In Idaho during 2003, the sport of fishing brought in over \$400 million to the state from purchases such as meals and groceries, transportation, equipment, and rentals of boats, fishing tackle, hotels, and guide services. In Southwest Idaho fishing brought in approximately \$74 million in 2003 resulting from approximately 668,000 fishing trips.

### Boise City MSA

- During the past year the total market value of property in Ada County, both commercial and residential, rose 7.5 percent, increasing in value from \$24.0 billion to \$25.8 billion. Commercial and residential properties in Canyon County grew at a similar rate of 7.0 percent, increasing to a total value of \$7.4 billion.
- Amalgamated Sugar recently leased an additional 5,700-square feet of office space in the process of moving their corporate headquarters to Boise from Ogden, Utah. The move is scheduled to be complete in mid-2005. Currently there are 30 Amalgamated employees working in the Boise office.
- Construction is scheduled to start in early July on Logan Medical Plaza in Caldwell. The commercial construction project is a 22,000-square-foot building plus basement, valued at \$2.6 million. Engineered Structures Inc., the general contractor, expects to complete the project in March.
- A 30,000-square-foot office building in Canyon Park, near the Idaho Center, is scheduled for construction this summer and should be completed by next spring or early summer. Petra is the contractor of this \$3 million project; leases have already been signed for 65 percent of the available office space.
- Micron is expanding their product line into NAND Flash Memory, which is used as storage for digital cameras, MP3 players, and other handheld devices. Micron has predicted that its worldwide workforce would increase by 5.0 to 10 percent over the next 12 months, in part because of this new product, which will be manufactured in Boise. According to Micron spokesman Dave Parker, the current electronics industry environment is the most robust since 2000.

- Continental Airlines began service to Boise on July 1. The service includes two daily nonstop flights to Houston hub and two flights per day from Houston to Boise.
- ZiLOG has leased approximately 15,500-square feet in Meridian for a design center and performance analysis lab which will employ 30 people. Employees at the Meridian location are in product design, engineering, product testing, and quality assurance. Design operations were planned to be in Meridian by August 1.
- ZiLOG in Nampa had a complete manufacturing shutdown in July. The company has sold its equipment to STMicroelectronics for several million dollars. STMicroelectronics plans to ship the equipment overseas to Singapore. The equipment sale devalues the property, thus reducing tax collections for the City of Nampa.
- Boise firm Positron Systems secured a \$100,000 contract with the U.S. Air Force to study whether virtually invisible damage to aircraft wing parts can be detected. Positron will use technology that allows it to examine materials at the atomic level and detect any defects without harming the materials. The technology makes it possible to detect damage early on before any cracks appear.
- The 2002 Census of Agriculture determined that Canyon County has lost 26 percent of its total farmland since 1997, more than 95,500 acres. Canyon County still remains the most agriculturally diverse county in Idaho, but fell from second of 44 counties in sales to seventh. For the state as a whole, farmland decreased by only 2.0 percent between 1997 and 2002, but the value of total agricultural sales rose 15 percent to approximately \$3.9 billion in 2002 from approximately \$3.4 billion in 1997. Dairy farms accounted for 22 percent of total agricultural sales in 2002.
- Ann Taylor Loft, a nationwide women's apparel chain, has signed an agreement to be the first major retail tenant of the BoDo redevelopment project in the former 8<sup>th</sup> Street Marketplace area in downtown Boise. Ann Taylor Loft will be the second largest retailer in downtown Boise after Bon Macy's. Restaurant chain P.F. Chang's China Bistro has also signed on as another major chain that will anchor the development. Bodo expects five more major chains to join Ann Taylor Loft and P.F. Chang's.
- Construction has started on Farmers and Merchants State Bank, which will replace the current Meridian office that opened in 1968. It is a two-story 16,500-square-foot building to be completed by the end of the year.
- Build a Bear plans to open a store in the Boise Town Square Mall, replacing Bearmakerz Blvd. The concept for both stores is identical in that patrons can create their own Teddy Bears. Build a Bear will employ approximately 25 people and will open in October.
- Autozone will open its fourth store in Boise in late September near the intersection of Overland Road and Roosevelt Street. Each Autozone store must earn an internal return on capital of 15 percent to remain open.
- Pottery Barn spokesperson Leigh Oshirak has confirmed that an 11,000-square-foot store is scheduled to open in the Boise Town Square Mall sometime between August and October. Pottery Barn sells indoor and outdoor furniture, bedding and bath products, and other home décor and furnishing items.
- Wetzel Pretzel opened an 868-square-foot store in the mall in June. Pronto Pups and State Fair Lemonade plan to open a 673-square-foot store in August, and Hollister Co., a men's and women's casual clothing store, plans to open a 6,500-square-foot store in early fall, also at Boise Town Square Mall.
- Texas based Pier 1 Imports, which has 1,100 stores nationwide, plans to open a second location in the Treasure Valley. A 10,795-square-foot store is currently under construction in the Crossroads shopping center at the corner of Eagle Road and Fairview. Pier 1 is scheduled to open in late October, employing 12-15 people.
- Square, a restaurant serving primarily crêpes along with soup, salads, cheeses, espresso, beer and wine, is scheduled to open in early August in downtown Boise in the former McDonald's location on Main Street. Square will employ 15-20 people.
- Nampa manufacturing plant Kinro Inc., maker of windows and doors for manufactured homes and RVs, has purchased seven acres of ground on Kings Road in Nampa. Steed Construction will build a \$10.4 million 83,000-square-foot manufacturing facility, more than doubling the size of its current facility. The new facility should be completed by the end of the year. Sales for the Nampa Kinro plant have increased by approximately 30 percent over one year ago.

- During the first six months of 2004, Idaho Power Co added 5,900 new accounts, bringing Idaho Power's total number of customers to 432,500. Out of the 5,900 new accounts added, 4,911 were new residential customers.
- Tactical Design Labs, a Garden City based company, has developed a new holster that is being tested by approximately 200 law enforcement and military agencies, including the Boise Police Department and the Ada County Sheriff's Office. The holster offers three key improvements over existing holsters. It has a locking device that prevents the gun from falling out or being taken during a close physical conflict; the gun is easier to get out of the holster so it is immediately ready for use; and the gun automatically locks back into place when it is returned to the holster.

#### **Valley County**

- Boise-based Cloverdale Nursery has made a deal with Boise Cascade to clean up the former mill site in Cascade. Cloverdale will receive ownership of the property once cleanup is finished. The nursery plans to eventually give the property to Valley County for a new Valley County Fairgrounds.
- Tamarack Resort sold 64 golf course lots for \$33.4 million in an all cash transaction meeting. This summer contractors are working on \$52 million worth of projects, including construction of 60 cottages and chalets, two ski lifts, a four-story lodge for members of the resort's club, and a village that will house skier services next winter. As a result of the 64 home site sales, the golf course will be open for business for the summer of 2005. The ski mountain will open this December with five ski lifts and 162 rooms available for rent.
- Idaho Power Co. is asking the Public Utilities Commission to approve a \$2.7 million agreement, which would allow it to serve Tamarack Resort on Cascade Reservoir. Idaho Power's existing electrical facilities in that area is not adequate to meet the increased electrical demand. Tamarack will require 20 megawatts of electricity, which is enough electricity to supply 20,000 homes. Tamarack has already paid Idaho Power \$1.8 million towards completion of the project.

#### **Adams County**

- The Adams Cooperative Weed Management Area and the Adams County Weed Control recently sponsored a summer weed tour. More than 20 area landowners toured the county to look at various noxious weeds and methods of control. One topic examined was how flea beetles are being used to

combat the noxious weed, leafy spurge. The beetles were released last year and reports indicate that this year the spurge plants appear brown and sickly. It is expected to take two years to see the full effects the beetles have on controlling leafy spurge. Goats have also been used in other areas of the state to help control this aggressive, noxious weed.

#### **Gem County**

- Construction is currently underway on supporting stores adjacent to the new Albertsons store in Emmett. Two tenants have reportedly already signed lease agreements and plan to open as soon as construction is complete.

#### **Washington County**

- Contractors have begun work on a new gymnasium and classroom building at the Weiser High School. The construction project is valued at \$2.8 million.

#### **Elmore County**

- Mountain View Power Inc. has begun construction on the Bennett Mountain Power Plant in Mountain Home. Mountain View Power will build the power plant; in spring 2005 Mountain View will turn over control to Idaho Power Company. Siemens Westinghouse Power Corporation is the general contractor for the power plant project, which will have a generating capacity of 162 megawatts.

#### **Payette County**

- Parma, a small farming community near the Canyon County border, has been named as the proposed site for a new dairy farm that could potentially house over 16,000 cows. The owner of the proposed dairy claims this new operation would add \$25 to \$30 million to the local economy. Should this dairy operate at its proposed full capacity, it would employ approximately 80 people at above minimum wage pay. The proposed dairy site is surrounded by feedlots, a gravel pit, and U.S. Bureau of Land Management land.

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# MAGIC VALLEY

BLAINE, CAMAS, CASSIA, GOODING, JEROME, LINCOLN, MINIDOKA, & TWIN FALLS COUNTIES

## EMPLOYMENT TRENDS

The seasonally adjusted unemployment rate for the Magic Valley Labor Market Area (LMA) in May was 4.0 percent. This was two-tenths of a percentage point higher than April 2004 and four-tenths of percentage point higher than in May 2003. Year-over-year, the *Civilian Labor Force* grew by 3,830 workers or 7.1 percent. This is an indicator of job growth and also supports the jump of 5,080 *Nonfarm Payroll Jobs* from May 2003. The unemployment numbers also indicate stability since few workers left the workforce.

Many sectors have shown strong growth. *Construction* grew a remarkable 43.8 percent, or by 880 jobs, year-over-year. Overall economic growth, along with an increasing number of new businesses and new homes primarily in the City of Twin Falls, has contributed to the growth in *Construction*. While a good deal of the new home buying was caused by extremely low interest rates, many new homes were the result of in-migration, which occurred as new businesses moved into the area. The *Manufacturing* sector also had some positive news with an overall gain of 7.0 percent, or 340 jobs, year-over-year. The largest contributor in that sector was in *Manufacturing-Food Processing* with a gain of 21.1 percent. Milk prices have nearly doubled from 2003 to 2004; local cheese factories are primarily responsible for this healthy gain. Other sectors with significant increases were *Retail Trade*, *Wholesale Trade*, *Professional & Business Services*, and *Educational & Health Services* with gains of 14.9, 10.2, 14.6, and 19.7 percent, respectively. Other than *Natural Resources & Mining* that in South Central Idaho generally means rock extraction and crushing, no sectors showed losses and that sector lost only 10 jobs due to new technology and streamlining.

Indicators show that the South Central Idaho economy, primarily in the western Magic Valley, is extremely strong. However, there are some factors that could quickly change the positives into negatives. The main issue is water, or lack thereof. South Central Idaho is enduring its sixth straight year of below normal water and the situation is classified as extremely critical. The winter of 2003-2004

Magic Valley Table 1: Labor Force & Employment  
Twin Falls, Jerome, and Gooding Counties

	May 2004*	Apr 2004	May 2003	% Change From Last Month	Last Year
<b>INDIVIDUALS BY PLACE OF RESIDENCE</b>					
<b>Seasonally Adjusted</b>					
Civilian Labor Force	57,590	57,500	53,760	0.2	7.1
Unemployment	2,280	2,210	1,920	3.2	18.8
% of Labor Force Unemployed	4.0	3.8	3.6		
Total Employment	55,310	55,290	51,840	0.0	6.7
<b>Unadjusted</b>					
Civilian Labor Force	57,870	56,650	53,980	2.2	7.2
Unemployment	2,160	2,540	1,800	-15.0	20.0
% of Labor Force Unemployed	3.7	4.5	3.3		
Total Employment	55,710	54,110	52,180	3.0	6.8
<b>JOBS BY PLACE OF WORK</b>					
<b>Nonfarm Payroll Jobs**</b>	45,190	44,400	40,110	1.8	12.7
<b>Goods-Providing Industries</b>	8,090	7,810	6,880	3.6	17.6
Natural Resources & Mining	20	20	30	0.0	-33.3
Construction	2,890	2,520	2,010	14.7	43.8
Manufacturing	5,180	5,270	4,840	-1.7	7.0
Food Manufacturing	3,670	3,570	3,030	2.8	21.1
Other Manufacturing	1,510	1,610	1,810	-6.2	-16.6
<b>Service-Providing Industries</b>	37,100	36,590	33,230	1.4	11.6
Trade, Transportation & Utilities	10,790	10,170	9,650	6.1	11.8
Wholesale Trade	1,950	1,900	1,770	2.6	10.2
Retail Trade	6,690	6,280	5,820	6.5	14.9
Utilities	270	250	210	8.0	28.6
Transportation & Warehousing	1,880	1,740	1,850	8.0	1.6
Information	560	500	500	12.0	12.0
Financial Activities	1,770	1,740	1,770	1.7	0.0
Professional & Business Services	6,130	6,410	5,350	-4.4	14.6
Educational & Health Services	3,830	3,790	3,200	1.1	19.7
Leisure & Hospitality	3,690	3,650	3,430	1.1	7.6
Other Services	1,520	1,520	1,480	0.0	2.7
Government Education	4,230	4,230	3,700	0.0	14.3
Government Administration	4,580	4,580	4,150	0.0	10.4

\*Preliminary Estimate

\*\*Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

started out very promising in terms of precipitation, but an extremely warm March caused the runoff to begin early. In addition, the parched mountain soil absorbed a great deal of the moisture before it could reach reservoirs. Many canal companies have either had shutdown days or have implemented some form of water reduction. The Northside Canal Company that serves Jerome County and others plans a shutdown of five to seven days in September in the hope that adequate water will remain for late season irrigation of long duration crops such as sugar beets and potatoes. Already significant crop damage on late-growing crops is predicted for the Hunt Area (an area north of Eden and Hazelton that stretches about 8-10 miles east to west) and parts of Gooding County.

The next major factor that could significantly impact the local economy also involves water. This issue is groundwater and the recharge of the Snake River Aquifer. The aquifer is the major underground water source that originates

with the Big Lost River in the Arco-Lemhi area and ends in the Hagerman area's Thousand Springs. This valuable water resource has been the reason for the dairy expansion of the 1990s and the growth of the aquaculture industry in Idaho. The aquaculture industry primarily involves trout production and South Central Idaho is the number one trout-producing area in the United States. However, both dairy and aquaculture use massive amounts of water. This, coupled with strong population growth and extreme drought, has caused water levels in the aquifer to drop at an alarming rate. Due to litigation that occurred in the early 1990s, water rights issues have become vitally important and some method of water conservation is imperative. In early 2004 the Idaho Department of Water Resources issued a water call to Northside water users that specified 26,500-acre feet of water had to be curtailed by April 1, 2004, meaning many of the recipients of the call would have to shut off wells. This included 25 dairies with over 125,000 cows and some municipalities. The measure would have been catastrophic to the local economy, but an eleventh-hour compromise allowed these entities to continue using wells. This issue is essential to the South Central Idaho economy and parties involved have less than a year to reach agreement on a water conservation plan. It is extremely important that South Central Idaho have a good winter with adequate water, and a fair and equitable water plan for all users or the damage to the economy could be severe.

#### **SPECIAL TOPIC: Economic Development Success and Job Creation**

Most economists agree that nationally and statewide an economic recovery is taking place. Overall consumer confidence has improved and new jobs are being created at a good pace. Yet upon closer inspection, the type of job growth that is occurring tempers the optimism in the economy. Many newly-created jobs are lower paying service and retail jobs. Economists point out that higher-paying jobs in such industries as technology and manufacturing are being lost to other countries, a practice known as outsourcing. American companies are eliminating domestic jobs and are sending manufacturing and technology jobs to other countries to save operating and human resource costs. Some economists and business leaders who have justified this practice say outsourcing results in cheaper consumer goods for Americans when the countries involved export products and services to the United States. Outsourcing is also taking place in Idaho, especially in the major MSAs such as Boise. Some general manufacturing, technology manufacturing, and associated support jobs have been outsourced, and are being replaced by service and retail jobs that pay much less.

However, South Central Idaho is not following this trend. At the time of serious economic recession in the United States that started approximately in 2000 and lasted until the latter portion of 2003, South Central Idaho continued to grow and expand, especially in the Magic Valley LMA of Gooding, Jerome, and Twin Falls Counties. Whole new sectors were created, especially in the area of technology, when Dell, Inc. chose to locate a major technical support center in Twin Falls. Although lower-paying service

and retail jobs grew at a fast rate, it was a market-driven expansion, which means when the economy is robust and workers are changing to new jobs with higher wages and better benefits, there is more discretionary income created and consumer demand for goods and services increases. This draws service and retail employers to the area.

What has been the result? From May 2003 to May 2004, there was an increase of 5,080 jobs in *Nonfarm Payroll Jobs* in the Magic Valley region. Of these, 2,340 were in occupations that typically have higher wages such as construction, health services, and government. While service and retail jobs combined for over half of the new jobs total, the trend of losing higher-paying jobs did not happen. The growth in retail and service was the result of growth in the economy and jobs in other sectors; it was not a substitute for jobs lost. This is atypical and not part of the perceived trend nationwide or statewide.

How did this happen? In 2000, the Lockwood-Greene Company conducted a study of the Magic Valley and, after assessing such elements as transportation, workforce, and available training, the company recommended certain types of employers that would be viable for the area. These included light manufacturing, technology, and food processing. As a result of this study, the Southern Idaho Economic Development Organization (SIEDO) was formed with the mission of marketing and recruiting these types of employers and working closely with the local economic development entities in a spirit of teamwork to promote the area. Ready teams were formed consisting of local experts in education, real estate, labor, engineering, and utilities. These teams would present information to prospective employers and assist SIEDO in attaining commitment from them. The area's workforce is known for its high aptitude and for exhibiting strong work ethics. The College of Southern Idaho is reputed to be one of the top community colleges in the United States with the ability to tailor training to fit any sector. The result was a combination of excellence that rivaled other sites and made the Magic Valley a viable place to locate businesses. Partnership with state agencies, from Governor Kempthorne and Idaho Commerce & Labor Director Roger Madsen down to the local level management teams and economists, were unique and intriguing to employers. Idaho business costs are low, which is a major incentive, and such programs as the Workforce Development Training Fund made the area competitive. Dell, Inc. chose Twin Falls, Idaho, over 3,300 cities, as did Veterinary Pet Insurance, a new business moving to Twin Falls that will employ hundreds. The Magic Valley area still lags behind in high wages, but improvement is noticeable. With this spirit of cooperation, the area that Idaho Commerce & Labor Director Roger Madsen said "refused to participate" in the recession is taking full advantage of the recovery to increase wages and benefits to the workers in the area.

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# SOUTHEAST IDAHO

BANNOCK, BEAR LAKE, BINGHAM, CARIBOU, FRANKLIN, ONEIDA, & POWER COUNTIES

## EMPLOYMENT TRENDS

Unusually cool and wet weather during May 2004 drove the Pocatello Metropolitan Statistical Area's (MSA) seasonally adjusted unemployment rate up two-tenths of a percentage point to 4.3 percent from April. Record-breaking warm temperatures throughout March and April sparked agricultural activity, numerous construction projects, and many other seasonal activities. Increased activity encouraged some discouraged workers to begin searching for jobs again in May and the area's *Civilian Labor Force* increased by 330 individuals to 40,940 from April's 40,610. Unfortunately the cool, wet weather prevented job growth that usually occurs in May. This prevented some new entrants to the labor force from obtaining work and the number of unemployed individuals increased by 120 in May to 1,780 from April's 1,660. The MSA's May 2004 unemployment rate was 1.2 percentage points lower than one year ago when it was 5.5 percent, lower than the state rate of 4.6 percent, and lower than the U.S. rate of 5.6 percent. Labor force figures for May 2004 for all seven counties in Southeast Idaho are shown in Southeast Idaho Table 2.

*Nonfarm Payroll Jobs* decreased slightly (-60) in May 2004 from April. The number of jobs in the *Goods-Producing Industries* remained the same

Southeast Idaho Table 1: Labor Force & Employment  
Pocatello City MSA (Bannock County)

	May 2004*	Apr 2004	May 2003	% Change From	
				Last Month	Last Year
<b>INDIVIDUALS BY PLACE OF RESIDENCE</b>					
<b><i>Seasonally Adjusted</i></b>					
Civilian Labor Force	40,940	40,610	40,410	0.8	1.3
Unemployment	1,780	1,660	2,210	7.2	-19.5
% of Labor Force Unemployed	4.3	4.1	5.5		
Total Employment	39,160	38,950	38,200	0.5	2.5
<b><i>Unadjusted</i></b>					
Civilian Labor Force	41,080	41,310	40,540	-0.6	1.3
Unemployment	1,710	1,720	2,130	-0.6	-19.7
% of Labor Force Unemployed	4.2	4.2	5.3		
Total Employment	39,370	39,590	38,410	-0.6	2.5
<b>JOBS BY PLACE OF WORK</b>					
<b>Nonfarm Payroll Jobs** - NAICS</b>	34,080	34,140	32,980	-0.2	3.3
<b><i>Goods-Producing Industries</i></b>	4,060	4,060	4,220	0.0	-3.8
Natural Resources & Mining	10	10	10	0.0	0.0
Construction	1,530	1,500	1,690	2.0	-9.5
Manufacturing	2,520	2,550	2,520	-1.2	0.0
Food Manufacturing	460	460	430	0.0	7.0
Fabricated Metal Product Manufacturing	120	120	100	0.0	20.0
Machinery Manufacturing	30	30	30	0.0	0.0
Other Manufacturing	1,910	1,940	1,960	-1.5	-2.6
<b><i>Service-Providing Industries</i></b>	30,020	30,080	28,760	-0.2	4.4
Trade, Transportation & Utilities	6,940	6,880	6,660	0.9	4.2
Wholesale Trade	1,110	1,110	1,020	0.0	8.8
Retail Trade	4,540	4,480	4,380	1.3	3.7
Utilities	40	40	40	0.0	0.0
Transportation & Warehousing	1,250	1,250	1,220	0.0	2.5
Information	690	680	620	1.5	11.3
Financial Activities	1,810	1,820	1,930	-0.5	-6.2
Professional & Business Services	3,650	3,720	3,370	-1.9	8.3
Educational & Health Services	2,700	2,750	2,850	-1.8	-5.3
Leisure & Hospitality	3,290	3,240	3,440	1.5	-4.4
Other Services	910	930	820	-2.2	11.0
Government Education	5,660	5,750	5,070	-1.6	11.6
Government Administration	4,370	4,310	4,010	1.4	9.0

\*Preliminary Estimate

\*\*Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

Southeast Idaho Table 2: May 2004  
Seasonally Adjusted Labor Force Figures for  
Southeast Idaho Counties

	Civilian Labor Force	Number Unem- ployed	Percent Unem- ployed	Number Employed
Bear Lake	2,997	135	4.5	2,862
Bingham	22,794	987	4.3	21,807
Caribou	3,318	221	6.7	3,097
Franklin	5,685	175	3.1	5,510
Oneida	1,893	47	2.5	1,846
Power	3,026	258	8.5	2,768

at 4,060 and all decreases occurred in the *Service-Providing Industries*, which fell slightly from 30,080 in April 2004 to 30,020 in May. Normal seasonal fluctuations occurred throughout the *Service-Providing Industries*. Job gains in *Retail Trade* (60), *Leisure & Hospitality* (50), and *Government Administration* (60) did not keep pace with job losses in *Professional & Business Services* (-70), *Education & Health Services* (-50), and *Government Education* (-90). Job gains occurred in *Retail Trade* and *Leisure & Hospitality* with the beginning of the summer shopping and vacation season. Most accommodation establishments reported brisk business this year as opposed to last year. Cool, wet weather reduced the need for temporary workers and service providers during the month, which

led to the job losses in *Professional & Business Services*. Job losses in *Education & Health Services* occurred equally in *Nursing & Residential Care Facilities & Social Services*.

From one-year-ago, *Nonfarm Payroll Jobs* increased by 1,100. New businesses and business expansions occurred in *Trade and Professional & Business Services*. The increase in *Government Education* from May 2003 to May 2004 occurred because schools closed later this year than last year, and there was higher student employment at Idaho State University.

#### SPECIAL TOPIC: Per Capita Income

In 2002, the U.S. per capita income was \$30,906; Idaho's per capita income was \$25,476. Of the 50 states, Idaho ranked 44th in per capita income, which accounted for 82 percent of the national average.

Per capita income is determined by dividing total personal income by population. Total personal income includes net earnings such as wages, dividends, rents, interest, and government transfer payments by residents of a geographic area. Per capita income is one of many economic indicators, or gauges, of economic wellbeing. If per capita income is high, then people have more discretionary income available to purchase goods and services, which creates economic growth.

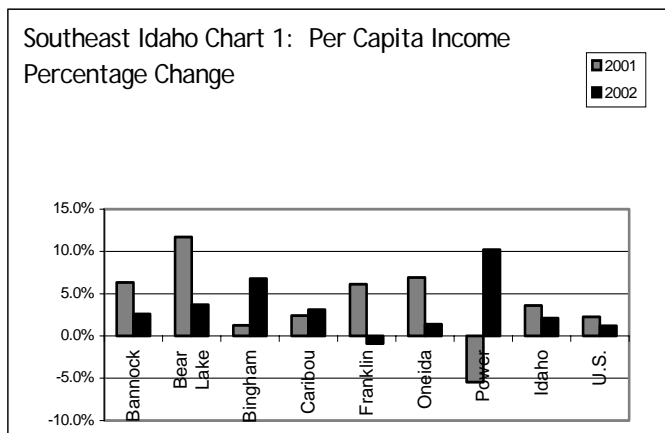
Southeast Idaho Table 3: Per Capita Income, shows the U.S., Idaho, and each Southeast Idaho county's per capita income for 2000, 2001, and 2002 as recently released by the U.S. Department of Commerce, Bureau of Economic Analysis.

Southeast Idaho's per capita income data was mixed. Per capita income in the seven Southeast Idaho counties ranked relatively low, but growth from 2001 to 2002 was equal or better than many other Idaho counties.

Idaho's per capita income grew 2.1 percent from 2001 to 2002 compared to the U.S. per capita income, which grew 1.2 percent. Most Southeast Idaho counties outpaced the U.S. and Idaho's overall per capita income growth rate.

In Southeast Idaho, per capita income changes ranged from a loss of nine-tenths of a percentage point in Franklin County from 2001 to 2002, to an increase of 10.2 percent in Power County, which had the highest per capita income growth rate between 2001 and 2002. Power County's rank improved from 28<sup>th</sup> among Idaho's 44 counties to 26<sup>th</sup>. Payouts made to dislocated Astaris workers, as well as improved farm incomes, probably contributed to the large increase in per capita income in Power County. The large increase is likely a one-time anomaly occurring because of settlement payments from the closure of Astaris, LLC. The business closed at the end of 2001 and workers received settlement payments in 2002. In a small county, even a few settlements would have a large effect on the rate of change. Oneida County had the smallest increase in per capita income at 1.4 percent and Franklin County experienced the only decline in per capita income at -0.9 percent. Falling farm income likely contributed to the drop in Franklin County's per capita income. Oneida County ranked 43<sup>rd</sup> in per capita income of Idaho's 44 counties and its ranking did not change from 2001. Franklin County remained ranked at 39<sup>th</sup>. Southeast Idaho Chart 1, Per Capita Income Percentage Change compares county per capita income changes in 2001 and 2002.

County/ Area	2000	2001	2002	Percent Change 2001-2002
<b>Bannock</b>	\$20,860	\$22,180	\$22,754	2.6
<b>Bear Lake</b>	\$16,684	\$18,637	\$19,320	3.7
<b>Bingham</b>	\$19,269	\$19,513	\$20,839	6.8
<b>Caribou</b>	\$20,605	\$21,102	\$21,749	3.1
<b>Franklin</b>	\$18,641	\$19,781	\$19,610	-0.9
<b>Oneida</b>	\$16,252	\$17,375	\$17,620	1.4
<b>Power</b>	\$20,640	\$19,515	\$21,512	10.2
<b>Idaho</b>	24,076	24,947	25,476	2.1
<b>U.S.</b>	29,847	30,527	30,906	1.2



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# NORTHEAST IDAHO

BONNEVILLE, BUTTE, CLARK, CUSTER, FREMONT, JEFFERSON, LEMHI, MADISON, & TETON COUNTIES

## EMPLOYMENT TRENDS

May's seasonally adjusted unemployment rate for the Bonneville Labor Market Area (LMA) increased two-tenths of a percentage point over the month to 3.6 percent as seen in Northeast Table 1. Of the four counties in the LMA, all showed increases of two-tenths of a percentage point except for Butte County, which showed an increase of eight-tenths of a percentage point. Year-over-year, the LMA's rate remained unchanged while the four counties (Bonneville, Bingham, Butte, and Jefferson Counties) showed very little change, again with the exception of Butte County, which decreased 1.3 percentage points. The unemployment rate for Idaho Falls, the largest city in the LMA, remained unchanged at 3.3 percent over the month, but decreased one-tenth of a percentage point over the year. The LMA's rate was 1.0 percentage point lower than the state's rate of 4.6 percent and 2.0 percentage points lower than the national rate of 5.6 percent.

Of the other six counties in Northeast Idaho, Clark County showed the largest monthly decrease—a 1.3 percentage point decrease to a 5.5 percent rate. Teton County showed the highest gain of seven-tenths of a percentage point for a 3.7 percent rate. Year-over-year, changes were minimal except in Clark County, which gained 1.5 percentage points. Madison County's rate remained unchanged at 1.6 percent. Unemployment rates ranged from Madison's 1.6 percent to Custer's 6.5 percent.

*Nonfarm Payroll Jobs* increased by 1,470 over the month to 67,310 due mostly to increases in *Construction* (440 jobs), *Professional & Business Services* (250 jobs), and *Leisure & Hospitality* (230 jobs). Warmer weather and the end of the school year opened the way for outdoor construction projects and vacationing, and all three industries normally show increases at this time. Losses were not noted in any major industry over the month. Year-over-year, *Nonfarm Payroll Jobs* increased 2,140 jobs, with increases

Northeast Idaho Table 1: Labor Force & Employment  
Bonneville, Bingham, Butte, and Jefferson Counties

	May 2004*	Apr 2004	May 2003	% Change From Last Month	Last Year
<b>INDIVIDUALS BY PLACE OF RESIDENCE</b>					
<b>Seasonally Adjusted</b>					
Civilian Labor Force	87,320	86,720	83,580	0.7	4.5
Unemployment	3,110	2,910	2,980	6.9	4.4
% of Labor Force Unemployed	3.6	3.4	3.6		
Total Employment	84,200	83,810	80,600	0.5	4.5
<b>Unadjusted</b>					
Civilian Labor Force	87,330	85,490	83,550	2.2	4.5
Unemployment	2,580	2,750	2,470	-6.2	4.5
% of Labor Force Unemployed	3.0	3.2	3.0		
Total Employment	84,750	82,740	81,080	2.4	4.5
<b>JOBS BY PLACE OF WORK</b>					
<b>Nonfarm Payroll Jobs** - NAICS</b>	67,310	65,840	65,170	2.2	3.3
<b>Goods-Producing Industries</b>	10,250	9,760	10,130	5.0	1.2
Natural Resources & Mining	70	60	70	16.7	0.0
Construction	5,330	4,890	4,650	9.0	14.6
Manufacturing	4,850	4,810	5,410	0.8	-10.4
Food Manufacturing	2,790	2,800	3,060	-0.4	-8.8
Fabricated Metal Product Manufacturing	280	260	260	7.7	7.7
Machinery Manufacturing	400	410	440	-2.4	-9.1
Other Manufacturing	1,380	1,340	1,650	3.0	-16.4
<b>Service-Providing Industries</b>	57,060	56,080	55,040	1.7	3.7
Trade, Transportation & Utilities	15,680	15,510	14,980	1.1	4.7
Wholesale Trade	5,370	5,350	5,120	0.4	4.9
Retail Trade	8,440	8,300	8,090	1.7	4.3
Utilities	120	120	120	0.0	0.0
Transportation	1,750	1,740	1,650	0.6	6.1
Information	980	970	980	1.0	0.0
Financial Activities	2,220	2,190	2,170	1.4	2.3
Professional & Business Services	12,340	12,090	11,850	2.1	4.1
Educational & Health Services	6,840	6,780	6,350	0.9	7.7
Leisure & Hospitality	5,330	5,100	5,170	4.5	3.1
Other Services	2,040	2,020	2,280	1.0	-10.5
Government Education	5,150	5,100	5,230	1.0	-1.5
Government Administration	6,480	6,320	6,030	2.5	7.5

\*Preliminary Estimate

\*\*Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

in *Construction* (680 jobs), *Trade* (600 jobs), *Professional & Business Services* (490 jobs), *Government Administration* (450 jobs), and *Educational & Health Services* (490 jobs) outpacing losses in *Manufacturing* (-560 jobs) and *Other Services* (-240 jobs). Losses in *Manufacturing* (-560) came from *Food Manufacturing* and *Other Manufacturing* sectors equally while *Machinery Manufacturing* lost 40 jobs. Northeast Idaho *Manufacturing* is greatly affected by agriculture and changes in the national economy, which have both been rather unsteady over the last several years.

## AREA DEVELOPMENTS

### Bonneville County

- The former Ground Round restaurant on Hitt Road in Ammon re-opened in July as the Firehouse Gill. Several of the franchised Ground

Round restaurants in the U.S. closed in February when parent company American Hospitality Concepts filed for bankruptcy protection. Ammon Ground Round franchisee owner, Kevin LaFleur, was able to keep his restaurant open because it was not owned by the parent company. LaFleur closed Ground Round to convert it to his new restaurant, Firehouse Grill, which offers a large assortment of food, such as steaks, salmon, baked pasta, and prime rib. New décor and color scheme are already in the works for the new opening.

- The State Board of Education recently appointed Bill Robertson president of Eastern Idaho Technical College in Idaho Falls. Robertson has been interim president for the past year and twice before in the 1990s. He plans to continue offering the community and district a good array of quality education. Robertson has worked for EITC in staff positions for 32 years. He has a master's degree in guidance and counseling and a bachelor's degree in sociology.
- L.A. Weight Loss on Woodruff Avenue in Idaho Falls suffered an estimated \$700,000 worth of damage to its building, supplies, and equipment following a weekend fire in mid-June. Owner David Strobel was able to reopen the following Monday in a nearby building he had purchased, intending to open a women's fitness center there. Strobel will reopen the damaged location and will continue his plans to open a women's fitness center in the alternative location.

#### **Butte County**

- Moore hosted the ninth annual King Mountain Gliding Championship at the end of June. Approximately 100 hang gliders from all parts of the world attended. King Mountain is known for its hang gliding because of mountain ranges and black lava, which together produce good columns of warm air that help lift gliders up and send them up to 100 miles away. Competitors ranged in age from 18 to 65 and were allowed to submit the best three flights out of five days. Each flight can last up to six hours.

#### **Jefferson County**

- Rigby's manufacturer of snowmobile clothing is marketing a new product line that appeals to another sports interest of its current clients—motorcycling. KLIM (pronounced "climb") Aggressive Sled Wear, which has been in business since 1998, has up to 300 dealers in the United States and some in Canada and Europe. The company's clothing, made from breathable fabrics, is designed for comfort and specifically for snowmobiling. The company says it only makes products its employees (all avid snowmobilers) would wear. Although the products are manufactured in the United States and

abroad, the Rigby office on Main Street is headquarters for all sales and distribution. The new line could double the company's business over the next two years. For more information, contact the company at 745-7699.

#### **Madison County**

- Thompson Paving in Archer is now able to produce its own asphalt with a newly acquired conditional use permit for an asphalt (hot-mix) plant. Conditions of the permit, which was issued by the Madison County Commissioners, are: plant officials must appear before the commissioners for an annual review, operate only from 8 a.m. to 5 p.m., produce less than 30,000 tons of asphalt per year, and meet Idaho Department of Environmental Quality regulations for water quality. While Thompson Paving has been in Archer for many years, it has always had to purchase its asphalt from other vendors. By making its own asphalt, the company hopes to increase its business and profitability.
- Tiffani and John VanOrman recently opened a Great Harvest Bread Co. in Rexburg on Center Street, close to the Brigham Young University – Idaho campus. The couple owns two other stores in Idaho Falls. The store is a franchise of Great Harvest Bread Co., of Dillon, Montana, which has been in operation for more than 30 years. The store specializes in bread made from scratch daily and breakfast items. Office boxes and gift baskets are also available. Store hours are Monday through Friday, 7:00 a.m. to 5:00 p.m.

#### **Multi-County**

- Deseret Book recently purchased Beehive Book stores in Rexburg, Idaho Falls, and Meridian. The Rexburg location will be closed because the company already has a store in the new shopping center on Second East. The Idaho Falls location at Memorial Drive will be converted into the city's second Deseret Book store; another store is located in the Grand Teton Mall. The Meridian location will be converted to a Deseret Book. Deseret Book sells books, gifts, and supplies of the Church of Jesus Christ of Latter-Day Saints religion. Bob Franz, owner of Beehive Book, has been in the business for 30 years since he first opened his Rexburg store. Deseret Book plans to keep some Beehive employees, who have a significant amount of combined experience.

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## THE AGE STRUCTURE OF IDAHO'S POPULATION AND ITS IMPLICATIONS FOR THE FUTURE

Understanding the age make-up of Idaho's population provides deep insights into labor market, economic, and social issues that Idaho will face in the next couple of decades. This article touches on a few of those issues.

To understand Idaho's age demographics, it's important to first review the major demographic events that have affected the age demographics of the U.S. population. After the Depression started in September 1929, many Americans postponed marriage or bearing children until they felt they could support families. The Depression did not end until the United States entered World War II in December 1941. Of course, most young Americans had to postpone marriage and children until the war ended. The net result was that 37 million babies were born between 1930 and 1945. After the war ended, Americans could start forming families again. As the economy prospered, Americans produced 76 million babies from 1946 to 1964. Those 76 million babies became known as the baby boom generation (or boomers, for short). The birth rate went down sharply in the late 1960s. The generation of 51 million babies born between 1965 and 1979 became known as Generation X or the "baby bust" generation. Starting in the late 1970s, baby boomers, whom in many cases had chosen to postpone marriages and children until later in their adult lives, began producing many babies. The baby boom echo generation, born from 1980 to 1998, totaled 70 million.

The same demographic forces affected Idaho's age structure, but other forces also were at work. Idaho's birth rate tended to remain considerably above the U.S. birth rate from 1940 to 1980. In the 1980s, it grew closer to the U.S. rate, but it remains significantly higher. Idaho's birth rate—the number of births per 1,000 women aged 15 to 44—was 15.6 in 2002, while the U.S. birth rate was 13.9. Another force affecting Idaho's demographics was the difference in the growth pattern of Idaho's population relative to the U.S. population growth. During the decades immediately after World War II, Idaho's population grew more slowly than the U.S. population. Between 1940 and 1970, Idaho's population grew 35.9 percent, from 524,873 to 713,015, while the U.S. population grew 53.8 percent, from 132.1 million to 203.3 million. Then, Idaho entered the high growth of the last three decades. From 1970 to 2000, Idaho's population grew 81.5 percent to 1,293,953, while the U.S. population grew 38.4 percent to 281.4 million. It would be difficult to identify just how much the new Idaho residents affected its age structure. Evidence sug-

gests that new residents were of varying ages. Although many of the new residents moved to Idaho after retiring, even more new residents moved to the state to raise young children or to take jobs in Idaho's growing economy.

Table 1 shows the percentages of Idaho's population in various age groups in the Censuses of 1960, 1980, and 2000. It gives a concise picture of the long-term changes in Idaho's age structure. The table makes apparent the decline in the percentage of population under 15 years of age, resulting from reduced birth rates as Idahoans chose to have smaller families.

**FYI Table 1: Percent of Idaho Population in Various Age Groups**

Age Groupings	Census Years		
	1960	1980	2000
<b>Under 15 Years</b>	<b>34.7%</b>	<b>27.1%</b>	<b>23.4%</b>
Under 5 Years	12.3%	9.9%	7.5%
5 to 9	11.8%	8.8%	7.8%
10 to 14	10.6%	8.4%	8.1%
<b>15 to 29 Years</b>	<b>19.8%</b>	<b>27.1%</b>	<b>22.3%</b>
15 to 19	8.3%	9.3%	8.5%
20 to 24	5.9%	9.1%	7.3%
25 to 29	5.6%	8.7%	6.6%
<b>30 to 34 Years</b>	<b>18.5%</b>	<b>18.7%</b>	<b>21.6%</b>
30 to 34	6.0%	7.7%	6.5%
35 to 39	6.3%	6.1%	7.4%
40 to 44	6.2%	4.9%	7.7%
<b>45 to 49 Years</b>	<b>14.9%</b>	<b>13.0%</b>	<b>17.7%</b>
45 to 49	5.8%	4.3%	7.2%
50 to 54	5.0%	4.3%	6.0%
55 to 59	4.1%	4.4%	4.6%
<b>60 to 74 Years</b>	<b>9.0%</b>	<b>10.2%</b>	<b>9.6%</b>
60 to 64	3.4%	4.0%	3.7%
65 to 69	3.1%	3.5%	3.1%
70 to 74	2.5%	2.7%	2.8%
<b>75 Years &amp; Over</b>	<b>3.1%</b>	<b>3.8%</b>	<b>5.4%</b>
75 to 79	1.7%	1.8%	2.3%
80 to 84	0.9%	1.1%	1.7%
85 Years & Over	0.5%	0.9%	1.4%

*Sources: 1960 Census of Population, 1980 Census of Population, 2000 Census of Population, U.S. Census Bureau*

Another feature that stands out is how much the percentage of population 30 to 49 years increased from 1960 to 2000. That occurred as the baby boomers aged. In April 1960, when the Census was conducted, there were almost five full years of baby boomers to be born yet, and even the oldest boomers, those born in 1946, were

less than 15 years of age at that time. By 1980, baby boomers were 16 to 34 years of age and were swelling Idaho's young-adult age groups. By 2000 the baby boomers were 35 to 54 years of age.

The dramatic increase in people 75 years and over mainly reflects the remarkable increase in longevity achieved over the last 40 years that make the "oldest old" the fastest growing population segment in the United States.

Table 2 shows the median age of Idaho's population in 1910 to 2000, reflecting the long-term aging of Idaho's population as life expectancy has risen and birth rates have fallen.

FYI Table 2: Median Age of Idaho Population	
YEAR	AGE
1910	23.7
1920	23.5
1930	24.3
1940	26.4
1950	27.4
1960	26.0
1970	26.4
1980	27.5
1990	32.3
2000	33.2

Source: 2000 Census of Population, U.S. Census Bureau

Table 3 on page 25 shows the U.S., Idaho, and six Idaho regions' populations by age groups in 1990 and 2000, and how fast the various age groups grew between 1990 and 2000.

Idaho's changing age structure is affecting the economy and labor markets in many ways, including the following:

#### **Idaho's strong growth in young adults gives it a competitive advantage.**

Before the U.S. economic recession in 2001, many regions of the United States were complaining bitterly about a dearth of workers. Although Idaho was enjoying even faster job growth, the complaints weren't as bitter. Most Idaho businesses continued to expand their workforces without great difficulty, while many U.S. businesses were constrained by the tightness of the labor supply. The major reason Idaho's labor supply wasn't as tight was that the state was still enjoying strong growth of its young adult population, while most of the U.S. was experiencing a decline. Between 1990 and 2000, Idaho's population 18 to 34 years of age grew 22.0 percent, while the U.S. population in the same age group fell 4.4 percent. In addition, Idaho was experiencing higher growth than the U.S. in every age group; consequently, a business that relocated to Idaho improved its chances of finding workers. Idaho's age structure and

continued population growth promises to continue to provide the same competitive advantage to Idaho businesses throughout this decade.

#### **Idaho has a higher proportion of children to raise and educate.**

Idaho has a higher proportion of children than the average state because Idaho's birth rate tends to be higher than the U.S. birth rate. Idaho also experiences faster growth of the 18-to-34-population group, the age group that has the greatest number of children.

Although Idahoans under 15 years of age have declined as a percentage of the population, from 34.7 percent in 1960 to 23.4 percent in 2000, that age group has grown rapidly in absolute terms, rising 30.5 percent from 231,500 in 1960 to 302,300 in 2000. That growth has posed challenges for Idaho state government and public school districts.

Idaho ranks third among the 50 states for the percentage of population that is under 18 years of age. The two states that have higher percentages are Utah and Alaska.

#### **Rapid growth of older Idahoans affects industrial mixes.**

In the 1990s, the Idaho population 65 years and over grew 20.5 percent, and it is expected to grow even faster in the current decade. The rapid growth of Idahoans 65 and over is creating many new job opportunities in the *Health Care* sector. It's a major reason why Idaho's private and public *Health Care* sectors grew 75.9 percent, from 30,900 in 1991 to 54,361 in 2003, and why *Health Care* is expected to be one of the fastest growing industries over the next dozen years.

#### **Number of older workers is growing rapidly**

A review of Table 4 on page 26 shows that the age groups lined up to turn 60 over the next two decades are much larger than the group that was 60 to 64 years in 2003. Both Idaho and the United States will see their over-60 population growing very rapidly.

In Idaho the number of workers 55 years of age and over most likely will nearly double, from 81,753 in 2000 to more than 160,000 by 2010, taking the percentage of older workers from 13.3 percent to nearly 20 percent of the Idaho labor force.

The aging of the Idaho population that has occurred in recent decades, along with the very rapid aging of the Idaho population that started in 2001 when the first baby boomers turned 55 years old, will affect Idaho businesses. Over the next decade or two, businesses will have to make decisions about how to treat older workers who are becoming a larger percentage of the labor force and how to replace them when it's time for them to retire.

*Continued on page 27*



# F.Y.I. Tables

FOR YOUR INFORMATION

FYI Table 3: Population by Age, 1990 to 2000						
	Total	Under 18 years of age	18 to 34 years	35 to 49 years	50 to 64 years	65 years & over
<b>Population, 1990</b>						
United States	248,709,873	63,606,544	69,701,927	51,597,314	32,608,813	31,195,275
State of Idaho	1,006,749	307,837	251,707	204,135	121,932	121,138
Region 1	126,617	35,093	27,148	28,560	18,146	17,670
Region 2	90,175	22,271	25,628	17,973	11,895	12,408
Region 3	375,148	109,821	97,459	79,538	43,844	44,486
Region 4	136,831	43,117	30,877	26,767	17,546	18,524
Region 5	136,466	48,355	32,371	25,605	15,320	14,815
Region 6	141,512	49,180	38,224	25,692	15,181	13,235
<b>Percent of Total Population, 1990</b>						
United States	100.0%	25.6%	28.0%	20.7%	13.1%	12.5%
State of Idaho	100.0%	30.6%	25.0%	20.3%	12.1%	12.0%
Region 1	100.0%	27.7%	21.4%	22.6%	14.3%	14.0%
Region 2	100.0%	24.7%	28.4%	19.9%	13.2%	13.8%
Region 3	100.0%	29.3%	26.0%	21.2%	11.7%	11.9%
Region 4	100.0%	31.5%	22.6%	19.6%	12.8%	13.5%
Region 5	100.0%	35.4%	23.7%	18.8%	11.2%	10.9%
Region 6	100.0%	34.8%	27.0%	18.2%	10.7%	9.4%
<b>Population 2000</b>						
United States	281,421,906	72,142,757	66,644,867	66,086,598	41,568,712	34,978,972
State of Idaho	1,293,953	368,131	307,020	288,303	184,554	145,945
Region 1	178,333	47,345	34,606	42,493	30,667	23,222
Region 2	100,533	22,801	25,917	21,654	15,921	14,240
Region 3	535,652	151,480	133,929	123,412	72,443	54,388
Region 4	162,397	47,587	34,466	35,602	23,698	21,044
Region 5	154,007	48,263	37,052	31,654	20,205	16,833
Region 6	163,031	50,655	41,050	33,488	21,620	16,218
<b>Percent of Total Population, 2000</b>						
United States	100.0%	25.6%	23.7%	23.5%	14.8%	12.4%
State of Idaho	100.0%	28.5%	23.7%	22.3%	14.3%	11.3%
Region 1	100.0%	26.5%	19.4%	23.8%	17.2%	13.0%
Region 2	100.0%	22.7%	25.8%	21.5%	15.8%	14.2%
Region 3	100.0%	28.3%	25.0%	23.0%	13.5%	10.2%
Region 4	100.0%	29.3%	21.2%	21.9%	14.6%	13.0%
Region 5	100.0%	31.3%	24.1%	20.6%	13.1%	10.9%
Region 6	100.0%	31.1%	25.2%	20.5%	13.3%	9.9%
<b>Percent Growth in Age Group, 1990 to 2000</b>						
United States	13.2%	13.4%	-4.4%	28.1%	27.5%	12.1%
State of Idaho	28.5%	19.6%	22.0%	41.2%	51.4%	20.5%
Region 1	40.8%	34.9%	27.5%	48.8%	69.0%	31.4%
Region 2	11.5%	2.4%	1.1%	20.5%	33.8%	14.8%
Region 3	42.8%	37.9%	37.4%	55.2%	65.2%	22.3%
Region 4	18.7%	10.4%	11.6%	33.0%	35.1%	13.6%
Region 5	12.9%	-0.2%	14.5%	23.6%	31.9%	13.6%
Region 6	15.2%	3.0%	7.4%	30.3%	42.4%	22.5%
<i>Sources: 1990 Census of Population, 2000 Census of Population, U.S. Census Bureau</i>						

# F.Y.I. Tables— (continued from page 23)

FYI Table 4: Population 25 to 64 Years of Age, 2000				
State of Idaho			United States	
Age Group	Population in Age Group	Percent Larger than 60 to 64 Age Group	Population in Age Group	Percent Larger than 60 to 64 Age Group
25 to 29 years	88,048	84.1%	19,365,852	89.3%
30 to 34 years	84,946	77.6%	20,439,622	99.8%
35 to 39 years	96,442	101.7%	22,943,244	124.3%
40 to 44 years	100,458	110.1%	22,651,986	121.4%
45 to 49 years	92,596	93.6%	19,849,930	94.1%
50 to 54 years	78,350	63.8%	17,001,224	66.2%
55 to 59 years	59,260	23.9%	12,909,618	26.2%
60 to 64 years	47,824	0.0%	10,229,156	0.0%

Source: 2000 Census of Population, U.S. Census Bureau

FYI Table 5: Idaho Population & Labor Force by Age & Sex, 2000			
	Total	Male	Female
<b>16 to 19 years:</b>	87,734	44,530	43,204
In labor force:	48,831	24,830	24,001
<i>Labor Force Participation</i>	55.7%	55.8%	55.6%
<b>20 to 24 years:</b>	87,734	44,530	43,204
In labor force:	48,831	24,830	24,001
<i>Labor Force Participation</i>	55.7%	55.8%	55.6%
<b>25 to 29 years:</b>	85,032	44,024	41,008
In labor force:	68,371	38,969	29,402
<i>Labor Force Participation</i>	80.4%	88.5%	71.7%
<b>30 to 34 years:</b>	83,671	42,473	41,198
In labor force:	67,210	37,821	29,389
<i>Labor Force Participation</i>	80.3%	89.0%	71.3%
<b>35 to 44 years:</b>	195,711	98,450	97,261
In labor force:	161,808	88,359	73,449
<i>Labor Force Participation</i>	82.7%	89.8%	75.5%
<b>45 to 54 years:</b>	169,995	85,473	84,522
In labor force:	139,839	75,782	64,057
<i>Labor Force Participation</i>	82.3%	88.7%	75.8%
<b>55 to 59 years:</b>	59,388	29,630	29,758
In labor force:	41,088	23,161	17,927
<i>Labor Force Participation</i>	69.2%	78.2%	60.2%
<b>60 to 64 years:</b>	47,763	23,912	23,851
In labor force:	22,563	13,275	9,288
<i>Labor Force Participation</i>	47.2%	55.5%	38.9%
<b>65 to 69 years:</b>	39,983	19,291	20,692
In labor force:	9,426	5,597	3,829
<i>Labor Force Participation</i>	23.6%	29.0%	18.5%
<b>70 to 74 years:</b>	36,201	16,976	19,225
In labor force:	4,786	3,054	1,732
<i>Labor Force Participation</i>	13.2%	18.0%	9.0%
<b>75 years and over:</b>	69,761	27,816	41,945
In labor force:	3,900	2,394	1,506
<i>Labor Force Participation</i>	5.6%	8.6%	3.6%

Source: 2000 Census of Population, U.S. Census Bureau

It's important to remember that many people do not wait to retire until they're 65, but at the same time many people do not choose to retire after they're 65. In 2000 more than 18,000 Idahoans 65 years old and over were participating in the labor force. Table 5 on page 26 shows the labor force participation rates of Idahoans in various age groups in 2000.

There is good reason to believe that an even higher proportion of people who are 65 years and over will stay in the labor force during the next couple of decades. Idaho Commerce and Labor offices across the state report that since 2000 more older people are choosing to stay in the labor pool. According to a *New York Times* study in early 2004, one out of four American workers 45 years of age and older report delaying retirement.

#### Reasons why people are postponing retirement

- Many people are entering their 60s and 70s far healthier than earlier generations did. Some have the energy and desire to continue to contribute in the workplace.
- Rising health care costs prevent some individuals with health problems in their family from leaving employers that provide health insurance at a reasonable cost.
- Some individuals haven't saved enough money, or lost their pensions through the closure, merger, or reorganization of their employers. Others lost sig-

nificant amounts of their portfolios during the troubled stock market of 2001. Some have been stymied by the exceptionally low interest rates of the last couple of years, which provides considerably less interest income than they anticipated.

- It's more likely that people in their 50s and 60s in the future will still have children in college, because in the last two decades more people are starting their families later in life.
- Many grandparents are becoming responsible for raising their grandchildren. Those individuals may postpone their retirements so they can support their grandchildren. According to the 2000 Census, in 8,110 Idaho families, grandparents were raising their grandchildren.

Replacing older workers will be difficult, but Idaho will have a comparative advantage.

Whether they retire at 55, 65, or 75, boomers eventually will retire, and many industries will be hard-pressed to replace them. Because of Idaho's younger age structure and long-term population growth, Idaho industries will find it somewhat easier to replace workers as they retire.

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#### Panhandle News — (continued from page 8)

- Lydig Construction currently is constructing a 13,000-square-foot administration building at the Burlington Northern Santa Fe (BNSF) Railway's locomotive refueling depot near Hauser Lake. The buildings, railroad track, and equipment cost more than \$30 million. When it opens this fall, the depot will fuel BNSF trains on their way to and from Seattle. In June, BNSF began recruiting 20 laborers to work at the depot. Altogether, about 45 people will work at the depot.

#### Shoshone County

- Shoshone County's economy is enjoying increased *Mining* employment, exceptional construction activity, growing interest from tourists, a hot housing market for the first time in 20-plus years, growth in its retail sector led by Dave Smith Motors, and an improved outlook for its *Manufacturing* sector.
- Hecla Mining's Lucky Friday mine near Mullan continues to expand. After it laid off more than 100

workers in the fall of 2001, the Lucky Friday's employment fell to 60 people. By June 2002, its employment had risen to 90 where it stayed until the beginning of 2004. By March its employment had risen to 114 people. Now it employs 140 people. Improved metal prices during the last year, plus development of a promising deposit, have given the Lucky Friday a second wind. Silver prices were hovering around \$4.30 an ounce when Hecla made its 2001 layoffs. By July 14, 2003, the price of silver was \$4.79 per ounce. On July 14, 2004, it was \$6.38. Hecla engineers believe the mine, which has produced 127 million ounces of silver in the last 50 years, could still contain 90 million more ounces of silver.

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# Glossary of Labor Market Terms

**Agriculture Employment:** Persons on agriculture payrolls who work or receive pay for any period during the survey week. This includes owners, operators, unpaid family members who work at least 15 hours a week, and hired laborers.

**Average Hourly Earnings/Average Weekly Hours:** The average total money earnings earned by production or non-supervisory workers for selected industries. The average number of hours worked by production or non-supervisory workers including overtime, paid vacation, and sick leave. The data is collected for the week including the 12<sup>th</sup> of the month.

**Average Weekly Earnings:** Average Hourly Earnings multiplied by Average Weekly Hours.

**Civilian Labor Force:** A count of non-institutional persons 16 years of age and over residing within a specific geographic area, excluding members of armed forces, who are classified as employed, unemployed and seeking employment, or involved in a labor dispute.

**Consumer Price Index (CPI):** A national index measuring changes over time in the price of a fixed market basket of goods and services. There are two indexes—the All Urban Consumers (CPI-U) represents the buying habits of about 80 percent of the non-institutional population of the United States, and the Urban Wage & Clerical Workers (CPI-W) represents 40 percent of the population.

**Covered Employers:** Employers who are subject to state and federal Unemployment Insurance laws.

**Durable Goods:** Also known as “hard goods” because they include items manufactured or provided by wholesalers with a normal life expectancy of three years or more.

**Employed:** Individuals, 16 years of age or older, who worked at least 1 hour for pay or profit or worked at least 15 unpaid hours in a family business during the week including the 12<sup>th</sup> day of the month. Individuals are also counted as employed if they had a job but did not work because they were: ill, on vacation, in a labor dispute, prevented from working because of bad weather, or temporarily absent for similar reasons.

**Initial Claim:** Any notice of unemployment filed to request (1) a determination of entitlement to and eligibility for compensation or (2) a second or subsequent period of unemployment within a benefit year or period of eligibility.

**Labor Market Area (LMA):** An area that consists of a central city or cities and the surrounding territory within commuting distance. It is an economically integrated geographic area within which individuals can reside and find employment without changing place of residence. Idaho has nine LMAs.

**Metropolitan Statistical Area (MSA):** An area that has either a city with a population of at least 50,000 or a Bureau of Census urbanized area of at least 50,000 and a

total metropolitan area of at least 100,000. The Office of Management and Budget designates the MSAs. There are five MSAs in Idaho—Boise City-Nampa MSA (including Ada and Canyon Counties), Coeur d’Alene MSA (Kootenai County), Idaho Falls MSA (Jefferson and Bonneville Counties), Lewiston MSA (Nez Perce County in Idaho and Asotin County in Washington), Logan MSA (Franklin County and the Logan, Utah, Metro Area), and Pocatello City (Bannock County).

**Nonfarm Wage & Salary Employment:** Persons on nonfarm establishment payrolls (including employees on paid sick leave, paid holiday, or paid vacation) who work or receive pay for any part of the week including the 12<sup>th</sup> of the month. It is a count of jobs by place of work. It does not include self-employed, unpaid volunteer or family workers, domestic workers in households, military personnel and persons who are laid off, on leave without pay, or on strike for the entire reference period.

**Nondurable Goods:** Also known as “soft goods” because they include items manufactured or provided by wholesalers that generally last for only a short period of time (three years or less).

**Seasonally Adjusted:** Data is seasonally adjusted to remove the impact of regular events that occur at the same time every year such as the effect of cold weather on outdoor activities, the Christmas holiday, or the summer influx of youth into the labor market.

**Unemployed:** Those individuals, 16 years of age or older, who do not have a job but are available for work and actively seeking work during the week including the 12<sup>th</sup> of the month. The only exceptions to these criteria are individuals who are waiting to be recalled from a layoff and individuals waiting to report to a new job within 30 days—these, too, are considered unemployed.

**Unemployment Insurance:** Unemployment Insurance is a program for the accumulation of funds paid by employers, to be used for the payment of Unemployment Insurance to workers during periods of unemployment which are beyond their control.

**Unemployment Rate:** The number of persons unemployed expressed as a percentage of the labor force.

**Weekly Benefit Amount:** The amount payable to a claimant for a compensable week of total unemployment.

**Weeks Claimed:** The number of weeks that unemployed workers claimed Unemployment Insurance benefits.

**Weeks Compensated:** The number of weeks for which compensation was actually paid.